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Daily Report
Central Eurasia

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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Text of FIS Report Presented by Primakov

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[Unattributed account of report delivered to Russian and foreign journalists by Yevgeniy Primakov, director of the Russian Foreign Intelligence Service, under the "Foreign Intelligence Service Reports" rubric; "Russia-CIS: Does the West's Position Need Modification?"]

[Text] Notwithstanding the clear differences in opinions regarding the future of the CIS and Russia's place in the Commonwealth two approaches have of late been clearly seen in the West: one based on cooperation with the Russian Federation as an equal partner and the other based on a "unipolar" world in which Russia is given the role of a country with a strictly limited range of interests and tasks. This conclusion was reached by analysts from the Russian Federation Foreign Intelligence Service [FIS] in an open report entitled "Russia-CIS: Does the West's Position Need Modification?" which was submitted to Russian and foreign journalists at the Foreign Ministry Press Center by FIS Director Yevgeniy Primakov.

We are publishing his report.

The main avenue of contemporary development in the international situation is highlighted by a move away from "Cold War values" and a reorientation to civilized interstate relations. But all that does not render the world less complex, does not preclude failures of various countries' national interests to intermesh, or sometimes even conflicts between various countries' national interests. The inertia of thinking and the enduring stereotypes of past practice also take their toll to some extent.

Tracing the development of various processes and trends in the international arena the Russian Federation FIS could not overlook the fact that influential circles in a number of Western countries interpret the role that Russia may play in uniting the republics of the former Soviet Union as "imperial" and integration as a process aimed at the restoration of the USSR (Footnote) (Here and hereinafter it is not a question of the former Baltic republics which do not form part of the CIS).

Some foreign analysts are promoting with increasing vigor the idea that the irreversibility of the move away from the "Cold War" is directly dependent on keeping the former Soviet Union in a disconnected state. At the same time it is claimed (Brzezinski and others) that separate CIS states are needed to balance the tendency for Moscow's positions to gain strength. The prospects linked with the results of the recent elections in Ukraine and Belorussia [Belarus] aare also being viewed from the viewpoint of the undesirability of centripetal processes on the territory of the former USSR. The conclusion is drawn that the policy of the leading Western countries vis-a-vis the CIS area should be modified with a view to preserving the status quo that took shape following the breakup of the Union. On the one hand, these opinions hide real fears that centripetal processes within the Commonwealth may revive the union state in its former capacity as the enemy of the West and, on the other, clear pointers regarding the "need" to prevent Russia's growing stronger as a world power.

Needless to say, all Western leaders are not so definite and unequivocal. But even the fact that this topic is being discussed by political circles in the United States and certain European states, along with the calls for a reappraisal of the West's strategy in the sphere of security and for changes to their policy toward Russia and the other CIS countries, are viewed by FIS experts as serious reason for analysis.

I. Wholesale Generalizations and Reality

The idea of Russia's changing and as yet undefined relations with the former national Soviet republics as "Moscow's imperial ambitions" is not a matter for theoretical dispute. Policy may be—and in a number of cases already is—behind that assessment.

U.S. Congressional experts for instance rightly point out that in the past year Russia's foreign policy has become more independent, regarding its own vital national interests as being of paramount importance. One can and must concur unequivocally that this change does not revive the "Cold War" era. However the conclusion that this change in Russia's policy does nevertheless represent a "kind of challenge to the United States" stems from the logic that indeed prevailed during the "Cold War" when one side's defense of its own interests was necessarily regarded as a minus by the other side.

Russia's safeguarding its vital interests is by no means an alternative to its desire for partnership relations with the United States, and European and other states. On the contrary, the durability of these relations is ensured by their equitable nature, which manifests itself in the partners' ability to grasp the essence of one another's national interests and uphold them in a nonconfrontational climate.

Typically, many foreign experts mainly associate the threat to Russian-Western relations with Russia's stance on the so-called near abroad.

Some shift of emphasis can be noticed here. The question of whether the centripetal tendencies within the Commonwealth will develop within or outside the democratic process may indeed be worrying both Western politicians and public opinion in the "far abroad." However, often the emphasis is placed on something else: Will the CIS survive at all in its disjointed form or will there be reintegration on its territory. Here the former is seen as beneficial to the West and the latter as contrary to its interests.

Current information indicates that the arguments behind this stance are mainly that:

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—reintegration will destroy the sovereignty of the states within the CIS;

—it will at the same time weaken democratic processes throughout the Commonwealth;

—Russia, using its resources, which are incomparable to those of the other CIS countries, will start "flexing its muscles."

These arguments are unfounded.

First, all attitudes to the breakup of the Union notwithstanding, the tremendous stability of the new states' sovereignty remains an immutable fact. Its attainment is virtually irreversible.

Second, any significant political organizations which condemn the breakup of the USSR do not aim to restore it in its previous form and capacity. Awareness of the irreversibility not only of the CIS countries' state sovereignty but also of the emergence of private ownership throughout the greater part of the former USSR and the development of a mixed economy is growing among these organizations and forces.

Third, the idea of Russia's striving to "take in hand" the other CIS states, using its economic and other advantages to this end, is untenable. The fairly widespread views in the national republics of the USSR that "assets were pumped" from the provinces to Russia and that Moscow "inculcated" excessive centralization in cadre and other decisions initially or historically so to speak paved the way for this kind of talk. The latter did indeed take place in the past but the "resumption of Moscow's diktat"—and all serious experts are aware of this—is impossible following the changes in Russia and the former USSR republics' acquisition of sovereignty.

It would be wrong to claim that "integrationist" views and sentiments hold complete sway at present in the CIS countries. There are certain forces in Russia itself and the other CIS states who disregard or underestimate the objective nature of the centripetal tendencies forging their way through various parts of the former Union. In Russia, hypothetically speaking, the "neoisolationists" attribute their position to the fact that the Russian Federation has sufficient potential to autonomously escape from the crisis and an agreement on economic union would be burdensome for it and could even complicate its relations with the West. In other CIS states the "neoisolationists" rely on "conclusions" that economic integration on the territory of the former USSR would weaken their sovereignty, strengthen Moscow's influence, and complicate the development of relations with other states.

Both groups consider that they express the national idea. And Russian "neoisolationists" can indeed for instance cite the fact that in 1993 alone deliveries to other CIS countries for which no payment was made reached around $10 billion, which is in excess of all the aid that Russia received from the IMF and the International Bank for Reconstruction and Development. (Is that not a counterargument to the big talk regarding the machinations by Moscow, which is allegedly thinking of establishing its own supremacy throughout the Commonwealth!) The "neoisolationists" believe that Russia should "distance itself" from the other CIS countries because their egotistical credit and monetary policy is dangerously whipping up inflation in Russia.

All that is indeed happening. However, "neoisolationist" ideas and currents run counter to objective processes. What is more, they harbor considerable potential for conflict. At the same time, according to the Russian FIS's information, a desire is arising in leadership circles in a number of leading Western countries and states in the Muslim world to view "neoisolationist" currents" as a possible mainstay when implementing their policy on the CIS.

II. Economic Realities

There are a whole series of factors in favor of creating a common economic area in the Commonwealth;

—the traditionally high level of production sharing that has developed over the decades: In the late eighties the RSFSR (now Russia) sold almost twice as much of its output via interrepublic union commodity turnover as it did via trade with foreign countries while the other former Soviet republics sold roughly seven times as much;

—the single technological area that developed over the decades, the unified standards, and the fact that national processing capacities were tied to certain categories and grades of raw materials and semimanufactures;

—the republics' vital need to maintain employment by preserving mutual deliveries and also the very existence of their own industry, whose output, with the exception of cheap natural raw materials, is as yet uncompetitive on the world market;

—the need for investment cooperation in opening up and processing natural resources, and the joint use of important installations, particularly infrastructure;

—the advantages of a coordinated strategy for the conversion of the defense industry;

—the impossibility, given the "transparency" of the borders, of total economic isolation; the sizeable material losses owing to illegal imports and re-export; the absence of a coordinated financial policy, and difficulties in mutual settlements;

—the unfeasibility in the coming years of a real influx of foreign financial and industrial capital given the instability of the situation in the CIS countries and the high degree of commercial risk.

Lastly, there is no reason to believe that the CIS will stay aloof from worldwide practice, which demonstrates the

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advantages of a large-scale economic area for the development of productive forces. It was awareness of these advantages that led to the conception and broadening of economic integration processes in various parts of the world—be it the European Union, ASEAN, NAFTA, or other integrationist groupings.

Naturally in the present conditions in view of the sovereignty of the CIS states it is impossible to **mechanically** restore the economic ties in the forms that existed within the single Union of the past. The movement toward the creation of a common economic area in the CIS is not straightforward and cannot occur without irregularities, digressions, and retreats. Suffice it to say that the formation of a common economic area within the Commonwealth is altogether impossible without in-depth economic reforms in the USSR's former national republics and without squaring their economic mechanisms with the Russian model.

The stage-by-stage resolution of the issue of forming a common economic area is dictated not only by the uneven development of elements for the transition to a market economy in the CIS countries but also by the demands of this process itself. The creation of a common market, including freedom of movement for goods, capital, and the work force, is proposed as the immediate objective followed by the unification of the infrastructure to ensure the normal functioning of the corresponding sectors of the Commonwealth countries' economy.

The creation of a common economic area in the Commonwealth is a by no means easy matter. However, it is **hopeless** to resist the centripetal tendencies within the CIS, which are particularly manifest at present in the economic sphere.

And **counterproductive** at the same time.

The creation of a common economic area in the CIS is virtually the only way of reducing tension in interstate relations in connection with the fact that following the breakup of the Union there are around 25 million Russians and so-called Russian speakers who gravitate toward them outside Russia.

III. Security Realities

A number of factors are prompting the CIS countries to create not only an economic but also a common defense area designed to guarantee their security.

The change in the military-political situation in the world, characterized by a reduction in tension on a global level, the Russian Federation's and other CIS countries' renunciation of the concept of permanent enemies, and the beginning of cooperation with NATO does not mean the elimination of potential threats to their security. The world community is now at a stage where the geopolitical configuration is changing, the militarization of a number of "Third World" countries is continuing, and many nuclear and "threshold" states are situated on or near to the CIS borders, the conflict zone is expanding, encompassing the center of Europe and part of the "outlying areas" of the former USSR.

1. **Conflicts in the CIS countries.** The interethnic and interstate conflicts that have broken out in the CIS states directly and in adjacent countries are tending to expand. The situation is aggravated by a number of factors.

First, in postwar history this is the first time that crisis has simultaneously enveloped a host of countries in direct proximity to or bordering on states on whose territory contemporary destructive arms and highly complex technical production units are located. In these conditions the settlement of interethnic and interstate conflicts is a particularly pressing task.

Second, a considerable proportion of the CIS conflict zone is adjacent to Afghanistan, where there is no sign of the situation stabilizing in the near future. In view of the ethnic features (the northern part of Afghanistan is mainly inhabited by Tajiks and Uzbeks) Afghanistan's destabilizing effect on the Central Asian states is intensifying. Moreover it is acquiring the nature of a threat to the state security of a number of countries, primarily Tajikistan, followed by Uzbekistan. Russia's FIS has information to the effect that there are forces in Afghanistan which want to break the north away and which are striving to create on that basis a Farsi-speaking state incorporating Tajikistan.

Third, the situation in the CIS "hot spots" has been aggravated as a result of other states apart from Afghanistan, primarily Iran and Turkey, becoming "embroiled" in them. Both these countries are seeking to broaden their influence and are aspiring to the role of regional superpowers. As a result of their "involvement" in the conflicts on the CIS territory—and this is not only of significance for Russia alone—there is a "swing to the right" taking place in the alignment of forces in Turkey and Iran.

Fourth, Islamic extremism has a highly negative effect on the crisis situations on CIS territory.

FIS analysts believe that under no circumstances should it be associated with Islamic fundamentalism, which does not presuppose the forcible spread of Islam, much less terrorist methods. However, of late, Islamic extremism has intensified as a movement aiming to spread Islam by force, suppress forces opposed to this, and change the secular nature of the state.

The "effect" of this extremism has manifested itself in both Tajikistan and the Caucasus conflict zone. However the problem of the spread of Islamic extremism is not locally confined.

Fifth, despite a host of statements in actual fact an inadequate reaction can be discerned on the part of the world community to the conflict situations that have developed near Russia's borders. For instance, for all the comparable number of victims of the Yugoslav crisis and

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in the CIS "hot spots" major differences are emerging in peacekeeping diplomacy toward these two crisis zones. The United Nation's sharp reaction involving the use of force to the capture of several units of combat hardware in Bosnia rubs shoulders with a "polite reference" to the death of Russian border guards when repelling gangs' attempts to infiltrate the Afghan-Tajik border.

2. **Peacekeeping actions on CIS territory.** All the Commonwealth countries have an interest in their implementation.

Russia's active involvement in settling conflict situations is attributed to its vital interest in a stable situation on its borders and in preventing conflicts having a provocative influence on certain regions of the Russian Federation. People in Moscow cannot close their eyes to the fact that armed operations result in the death of Russian citizens and the violation of the rights of the Russian-speaking population, refugees are streaming toward the Russian Federation, and huge financial resources are needed in order to look after them, while their migration is exacerbating the social and crime situation.

Despite the indisputably positive results of the peacekeeping actions in South Ossetia and the Dniester Region, their important role in Tajikistan, and the favorable start to the operations in Abkhazia, they elicit a more or less negative or suspicious reaction in many capitals of the "far abroad." There is criticism of Russia's "special role" in peacekeeping actions on the territory of the Commonwealth countries and the idea that its vital interests are linked with a state of stability in the other CIS countries.

On the poor international-legal base for peacekeeping operations on CIS territory. In reality Russia's commitments under the UN Charter, the corresponding UN Security Council decisions, and other international treaties and agreements, including within the CIS framework ("On Collective Peacekeeping Forces in the CIS" of 20 March 1992, "On Collective Peacekeeping Forces and Joint Measures to Provide them With Material and Technical Support" of 24 September 1993, etc) constitute the international-legal basis for its participation in peacekeeping activity.

The possibility of the use of Russian peacekeeping contingents abroad in accordance with Russia's international commitments is envisaged in the Russian Federation Law "On Defense" of 24 September 1992 and the Russian Federation presidential edict "On the Basic Provisions of Russian Federation Military Doctrine" of 2 November 1993. The draft law "On the Procedure for the Provision of Russian Personnel for Participation in Peacekeeping Activity" is being examined by the Russian Federation parliament.

It must also be particularly emphasized that no peacekeeping action in the CIS has been conducted without the consent of the conflicting parties although the United States for instance has carried out operations in Panama and Grenada without any approval from these countries' authorities.

On the fact that Russia allegedly pits its efforts against the activity of the United Nations and other international organizations. By way of confirmation I can cite in particular the words spoken by U.S. Secretary of State Christopher, who said bluntly when addressing the U.S. Senate 2 March this year: "We (the United States) do not recognize their (Russia's) right to take any actions in the new independent states save those which are carried out following coordination with the United Nations and other international organs and in accordance with the norms of international law."

On the lack of neutrality among the Russian forces when implementing individual peacekeeping operations on Commonwealth territory. There are usually references to the Russian military's "inconsistency" in Abkhazia and Tajikistan. However, the neutrality of the Russian forces involved in resolving conflicts is guaranteed by the pledges made by the Russian Federation when coordinating the terms and framework of the peacekeeping operations with all the interested parties.

On the predominance of Russian subunits in the Commonwealth's peacekeeping contingents. This cannot be put forward as an accusation purely because in practice it is not yet possible to ensure full-fledged participation by the other CIS states in peacekeeping operations. The overwhelming majority of states of the "far abroad" are not prepared to send peacekeeping forces here, and the United Nations is not prepared to pay for peacekeeping operations.

On the inadequacy of international monitoring of Russia's peacekeeping activity. This is completely refuted, for instance, by the fact that the CIS countries' peacekeeping operations in Abkhazia and Nagorno-Karabakh will be monitored in total by several hundred international observers. UN and CSCE missions have already been operating in the Dniester region, Georgia, and Tajikistan for a long time. The large Minsk Group of the CSCE on Nagorno-Karabakh has been functioning since 1992. They all have practically unlimited access to the information they require.

On the inadequacy of the negotiating process in settling conflicts. Yet not a single Russian peacekeeping operation has been carried out without preliminary work to organize talks between the parties to the conflict. Moreover, the military phase of the settlement, involving the sending in of disengagement forces (South Ossetia, the Dniester region, Abkhazia) or the countering of outside aggression (Tajikistan) is always aimed at creating the conditions for intensifying talks with international participation (the United Nations, the CSCE). That talks to find a peaceful resolution to crises should be prolonged is a normal phenomenon in world practice.

Thus, Russia is observing all the internationally recognized conditions of peacekeeping taken together.

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3. The problem of the "transparency" of external and internal borders. Following the USSR's collapse and the formation of the CIS, the question of how to ensure a quality relationship between CIS external borders and the internal borders of Commonwealth countries has sharply arisen. With "transparent" internal borders there is no doubt about the need to protect external borders. At the same time, in the absence of an overall defense area including functions such as a unified system for protecting external borders, there is a need to delimit and demarcate the Commonwealth's internal borders. And this is by no means easy.

The demarcation of Russia's borders with neighboring CIS countries will require huge financial expenditure—which could substantially hamper the reform of the Russian economy and stoke the already quite tense sociopolitical situation. The demarcation of Russian borders would be liable to lead to the emergence of new "hot spots" in the CIS—for instance, Ossets, Lezgins, and so forth, would find themselves on both sides of the state border.

Thus, the measures to step up controls on the Russian Federation border with Azerbaijan have shown that in this sector hundreds of citizens from Iran, Pakistan, Iraq, and other countries are illegally entering Russia along with contraband, including weapons. As a result of the "holes" in our border protection and visa regulations, and of the lack of coordination in immigration policy between the CIS countries, the number of illegal migrants from various Asian and African countries coming to Russia has increased sharply.

This situation is making it necessary for Russia to stabilize the situation in the near abroad through joint efforts with the CIS countries and to restore order on the Commonwealth's external borders, while simultaneously equipping the Russian border—bearing in mind that the approach taken to determining the arrangements in the various different sectors should depend on local circumstances and should rule out the possibility of any damage being done to integration processes on CIS territory.

4. Features of military organizational development in the leading states that were formerly "enemies" of the USSR. The current phase of the development of international relations has some specific components which Russia and the other CIS members cannot fail to take into account. The United States, Britain, France, and China have currently not only not given up their strategic offensive weapons but are also implementing a range of measures to modernize their land-based ICBM's, their submarine-launched ballistic missiles, and their strategic aviation.

Under present-day conditions these states have not missed out on the trend common to all former Cold War participants toward a reduction in military spending. New emphasis is being laid on military doctrines, dictated by the current military-political and military-strategic situation.

The United States' new nuclear strategy, which emerged after the end of the Cold War, preserves the basic principles of the utilization of nuclear weapons—the comprehensive combat use of all components of the "triad"; the provision of conditions for neutralizing enemy defenses; collaboration between different U.S. combat arms; and close coordination of their efforts with the NATO allies.

The single operational plan for destroying the presumed enemy's strategic targets (SIOP) envisages supplementing the range of new scenarios and unusual targets. There is a planned transition to "adaptive" planning, which makes it possible to clarify virtually in real time the operational plans for the use of nuclear weapons in response to a changing situation.

While preserving and modernizing their strategic offensive weapons, the United States, China, Britain, and France are emphasizing the development of their national forces. And the United States, with the most powerful strategic offensive weapons systems, is continuing to provide guarantees to a number of nonnuclear powers both within NATO and outside it. For instance, there is a paragraph to this effect in the U.S.-Japanese Security Treaty.

The existing practice, linked to improving strategic offensive weapons and the continued provision of guarantees by the United States, is due to a number of factors:

—the "uncertainty" of the domestic political situation in Russia;

—the continuing presence of nuclear weapons on the territory of Ukraine and Kazakhstan, where the domestic political situation has also not stabilized;

—the need to "restrain" China, particularly in the Asia-Pacific region;

—the acquisition of nuclear weapons by a number of countries, including India and Pakistan;

—the continuing work to develop [sozdaniye] nuclear weapons in other states (the relevant "indications" of the situation in this sphere in the DPRK and Iran are received particularly painfully).

With certain overtones the lists of these factors also features in any explanation of political decisions in the sphere of military-strategic organizational development in Britain and France.

China too argues that its policy has an eye to the "need to safeguard its national interests." One way or another, all the measures to improve national strategic offensive weapons are presented as an appropriate reaction to the new dangers of the post-Cold-War period.

Irrespective of the weightiness of the reasons which have given rise to this practice, it is a reality that Russia—and, clearly, the other CIS countries—cannot ignore. The

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conclusion has been drawn from this practice that it is necessary at this stage to preserve and develop one's own strategic offensive forces.

5. Other present-day security requirements. These primarily include the problems of overcoming the environmental crisis which is getting worse throughout the Commonwealth. And the fight against the causes of this crisis requires joint efforts from all the CIS countries for the simple reason that many of the sources of environmental disasters and difficulties are to be found in several different states (the Aral Sea, for instance).

The same joint efforts are required in the fight against epidemics, which have become particularly dangerous in the context of the deteriorating socioeconomic situation in a whole number of areas and the lack of any proper public-health measures appropriate to the "transparency" of our internal borders and the "holes" in the Commonwealth's external borders—particularly in the Central Asia and Caucasus areas.

Close coordination of the CIS countries' efforts is also needed in order to successfully combat organized crime. It is necessary to pool efforts in this area owing to the "international" nature of organized crime, which came about during the USSR's existence and continues to persist today. We could also conclude that without effective collaboration between law-enforcement organs and the CIS countries' special services there will be no chance at all to improve the crime situation on the territory of the former USSR—a situation which is of increasing alarm not only to the population of the Commonwealth, but also to the "far abroad."

IV. Likely Scenarios for the Development of the Situation in the CIS

Scenario A:

Centripetal processes intensify within the CIS. The prerequisites for a common economic area are created and then the area takes shape. General rules of "economic behavior" and unified systems in the sphere of lending, money supply, customs, taxes, courts of arbitration, and so forth are elaborated and formalized. Transrepublican companies are set up. While retaining their state sovereignty, the CIS countries "delegate" part of it to the suprarepublican structures required for the functioning of the common economic area.

Along with economic integration (or lagging slightly behind it) there is integration in the military sphere, and a defense area with a unified command and unified subunits designed to protect external borders, undertake peacekeeping missions, and deter potential enemies is formed.

It is not ruled out that in the process of further development the prerequisites will appear for political integration, the most likely form of which could be a confederation.

Events could develop differently under this scenario. Most probably the process would begin with the implementation of agreements on an economic union initially between several CIS members, with the others joining later.

The development of events under this scenario would lead to stabilization, democratization, the advancement of reform, and could include a transition to a federal system in a number of CIS countries—which would reduce still further the threat of interethnic and interstate conflicts on Commonwealth territory.

The development of events under this scenario would lead to an increase in the power of the CIS, its ability to develop independently, and its competitive strength in international markets. But at a time when democratic processes and economic reforms are developing in the former USSR this will not result in the clock being turned back to the era of confrontation with the West. On the contrary, this scenario creates the best opportunities for stabilizing the situation throughout the CIS, nullifying the danger of "chaos in a nuclear-weapon state" and producing the necessary conditions for expanding economic cooperation—including by attracting foreign investment.

Scenario B:

With direct or indirect outside support, forces advocating "separate development" gain the upper hand in Russia and other Commonwealth countries. This compounds the economic crisis in the former Union national republics and increases the sociopolitical tension in them. The breakdown of national economic ties and the abandonment of production sharing could become irreversible. The unemployment problem will become acute and the transition to boosting production will be complicated.

The emphasis on nationalism will be accompanied by an intensification in authoritarian and undemocratic trends. The criminalization of society, the infringement of ethnic minorities' rights, and mass violations of human rights will be additional destabilizing factors.

The positions of Islamic extremists in the CIS states with Muslim populations will grow stronger. The intensification of separatist trends will help bring about the collapse of certain states.

Theoretically for Russia the conditions for getting out of the economic crisis could improve in a very short period of time. But the economy does not develop in a vacuum. The question of the need to completely eliminate the "transparency" of borders will arise and will require enormous expenditure. The flow of refugees from certain CIS countries to the Russian Federation will increase. The new geopolitical situation will require considerable additional amounts of defense spending. Finally, Russia will lose its traditional markets, which will be particularly painful when we are getting out of the crisis and beginning to boost production.

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The overall destabilization in the CIS will pose a threat to the world community's security.

Scenario C:

(Rather, you could call it a "subscenario," since the development of events implied by it would inevitably lead in the final analysis to either Scenario A or Scenario B).

One of the CIS states (but not Russia) undertakes "unifying" functions. Several republics of the former USSR (without Russia) move closer together. Integration processes begin within the framework of this group of states. One option would be development, whereby this gives definite impetus to integration processes on the territory of the entire CIS, and the original group becomes part of a general integrated area. Another option would be that the group turns in on itself [zamykayetsya v sebe], which would inevitably push it toward external "centers of influence." [Scenario C ends]

The influence of leading countries of the "far abroad" on the processes taking place in the CIS is indisputable and, consequently, the scenario that the development of the situation in the former USSR follows will, to a certain extent, depend on those countries.

In recent months there has been a wide divergence of opinions in the West about the future Commonwealth. A great deal will be determined by which approach prevails: reliance on cooperation with Russia as an equal partner (given the irreversibility of democratization and the objective nature of the reintegration processes on CIS territory) or reliance on a "monopolar" world in which the Russian Federation is given the role of a country with a very limited range of interests and tasks. The second approach is unacceptable to Russia and, one way or another, it will reject it.

But in the main, of course, the prospects for the CIS depends on the Commonwealth countries themselves and, primarily, on the Russian Federation.

Report Helps Debunk West's 'Misgivings'

MM2209143094 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Sep 94 pp 1, 7

[Report by Stanislav Kucher under the rubric "What People Are Talking About": "The Cloak and Dossier Brigade Are Educating the West and Predicting Russia's Future"]

[Text] "With outside support, forces advocating 'separate development' are gaining the upper hand in Russia and other CIS countries. This will aggravate the crisis in the former Union republics and increase sociopolitical tension in them.... The unemployment problem will become more acute and it will become difficult to increase the volume of production. The trend toward nationalism will be accompanied by an intensification of authoritarian and antidemocratic tendencies.... All this will promote the disintegration of a number of states.... The general destabilization in the CIS area will create a threat to the security of the world community."

These not unduly optimistic comments about the CIS' future are taken from a special report prepared by analysts of the Russian Foreign Intelligence Service [FIS]—one of Russia's most competent and well informed state institutions. This slim brochure with the—at first glance—dull title "Russia-the CIS: Does the West's Position Need Adjustment?" was presented to journalists by [FIS Director] Yevgeniy Primakov in person yesterday, and we have to presume that today it is already being studied by professional spies and politicians throughout the world.

Do not be afraid, however. The extract that I quoted is just one of two main scenarios for the development of the situation in the former Union as envisaged by our intelligence people. The second scenario is far more optimistic and has far more faith in a civilized revival of Russia and the other CIS states that will not present a threat to the West. However, it is practically impossible to decide right now which of the two is more likely. It goes without saying that it all hinges on the conduct of Russia and its partners. But not only them.

"We wrote this report not so much for our fellow countrymen as for the West," Mikhail Dmitriyev, chief of the FIS Information Analysis Directorate, told me. "Influential circles in a number of major Western powers are seriously worried about the centripetal processes of reintegration which have been observed in the CIS in recent months. They see in them an attempt to revive on the former USSR's territory an empire which poses a threat to peace. In our report we explained that these fears are unfounded and that economic reintegration here poses absolutely no threat to the West."

Meanwhile—and this can be read between the lines in the report—Western misgivings are neither the only nor the most important factor here. The politicians' fears described by our intelligence people are certainly not innocent and, to be blunt about it, are not without danger to Russia. The FIS report states plainly: The West's "unease" is due not only to the misgivings that a union state will appear on the territory of the former USSR in its old form as the enemy of the West but also to the "clear guideline that it is 'necessary' to prevent Russia from becoming a strong world power."

The fruits of the FIS experts' creativity are divided into four sections.

Section one—the analysis of the aforementioned Western alarm, the argument against reintegration in Russia, and the intelligence analysts' counterarguments. Here is an example: The West is afraid that reintegration will violate the sovereignty of the countries which have joined the CIS, will kill off the shoots of democracy in the CIS, and will lead Russia to begin dictating its terms to others and divert resources from its neighbors.

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The intelligence people argue against that on the basis of the existing information. In the first place, the achievement of sovereignty by the former republics of the USSR is irreversible—even those politicians who advocate close cooperation with Russia (for example, those who have come to power in Ukraine and Belorussia [Belarus]), are not only not renouncing the slogans of the independence of their countries but, on the contrary, are emphasizing the need to develop that independence. Second, no one in Russia, not even those who were opposed to the disintegration of the Union, intends to restore the Union in its old form—there are hardly any cranks of that kind left here any more. Third, the reality is that not only is Russia not going to "flex its muscles" and reduce its neighbors to slavery but, on the contrary, will do everything it can to help them, sometimes to its own detriment. The intelligence service cites these figures: Last year alone "exports to other CIS countries for which no payment was made (!) amounted to $10 billion," which exceeds all the aid which Russia has received in recent years from the West.

In part two of the report, the FIS experts demonstrate the need for economic integration in the CIS. Among their arguments they cite the traditionally high level of production sharing, the common technological area created here, the impossibility of complete economic separation given the "transparency" of the borders existing here now, and, finally, the fact that a vigorous influx of foreign capital into the CIS countries in the near future is unrealistic (because of the high level of commercial risk, the unstable political situation, and so forth).

Part three of the brochure demonstrates that economic integration and the creation of a common defense area are vitally important not only for Russia and the CIS countries but also for the West from the viewpoint of elementary security, among other things.

Most of the potentially explosive ethnic conflicts are taking place on the territory of Russia's "southern underbelly," where, incidentally, millions of Russians and a so-called "Russophone population" remain. There are a number of countries in a crisis situation which are located next to zones where weapons with the greatest destructive force are deployed. To let the situation in those areas get out of control is clearly contrary to Russia's security interests.

Second, the report stresses, a vast part of the CIS conflict zone "adjoins Afghanistan, where no stabilization of the situation is envisaged in the near future.... Instead, what we see is the destabilizing influence of Afghanistan on the Central Asian states.... There is information to suggest that there are forces in Afghanistan seeking to separate the north and create a Farsi-speaking state including Tajikistan" based on it. And, finally, the threat of the spread in the southern CIS of Islamic extremism, whose main methods of inculcation are violence and terrorism, poses a tremendous danger to Russia and the other CIS countries.

Russia is obliged to counter all these threats, of course.

The appearance of the FIS document is highly opportune.

Russia is accused of every mortal sin on the grounds that its conduct has violated accepted international standards, whether we wish to revive close economic ties with Ukraine or to prevent an explosion of ethnic strife in Nagorno-Karabakh or Abkhazia. At the same time no one in the West recalls, for example, that not one of Russia's peacemaking actions in the CIS has been conducted without the consent of the opposing sides whereas the United States, for instance, invaded Panama and Grenada without any approval for its military operations from the authorities of those countries. Or let us recall how the United Nations mentions the death of the Russian border troops on the Tajik-Afghan border only in passing, yet when a few armored personnel carriers are seized in Bosnia it responds with the use of armed force.

I would venture to claim that the West's policy is based not on "innocent" misgivings. They are rather a diplomatic cover for a quite conscious and natural unwillingness to see Russia as a powerful state capable of becoming a serious rival to the West in the world arena. I repeat: Not as an aggressive monster obsessed with a utopian idea but as a strong state whose interests will to some extent inevitably clash with the foreign policy aspirations of the United States or the ambitions of Islamic states. That is why it is ridiculous to think that when the West has read the FIS report it will immediately assist Russia in its truly progressive undertakings. Quite the contrary. According to the intelligence service's information, it is thanks to the West's "assistance" that the solution of the Nagorno-Karabakh and Georgia-Abkhazia conflicts dragged on so long: The "partners-cum-observers" did their best to ensure that peace treaties were signed under the auspices of the CSCE but certainly not Russia. That was in the days when it seemed that the process of the country's disintegration could not be stopped.

What will happen now?

Paper Comments on FIS 'White Book'

MM2209133394 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 22 Sep 94 p 2

[Article by Yuriy Stroyev: "This Is Not Intelligence But a Writers' Union. New 'White Book' of Russian Foreign Intelligence"]

[Text] The appearance of Yevgeniy Primakov, director of Russia's Foreign Intelligence Service, before journalists at the Russian Federation Foreign Ministry Press Center was pegged to the publication of the "white book" "Russia-CIS: Does the West's Position Need Modification?" It was sheer chance that the news conference and the book's actual publication coincided with the preparations for B. Yeltsin's visit to the United States and with A. Kozyrev's trip to Ukraine. The

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Russian president is familiar with this work, but this theme will hardly be a topic of discussion at such a high level, the head of foreign intelligence pointed out.

This is already the third publication by Russian staffers of the "invisible front," and, to judge from the assessments made, it too could have an impact on our relations with the West in the future. The first one, devoted to the proliferation of weapons of mass destruction, had a definite effect on reducing military expenditure, changing military doctrines, and improving the system of deterrence and existing modern armaments. The second, which revealed Russia's stance on the question of independent East European states' joining NATO, curbed the Western generals' ardor for stationing their troops on new territories and contributed to the emergence of the "Partnership for Peace" program.

The purpose of the latest "white book" is to use an analysis of existing intelligence data and other information to reveal the development trends in the postcommunist area of the CIS and the attitude of Western circles toward them. The authors believe that the process of reintegration is taking place actively and objectively in our countries, and centrifugal [as published] forces are strengthening—which is expressed in the increasingly insistent desire to create a single economic and defense area. This path, in the opinion of Yevgeniy Primakov, creates the best preconditions for strengthening the CIS. At the same time certain forces are seeking greater isolation for their own national states—which will lead to their weakening and to a new spiral of crisis. The possibility that it will be not Russia but some other CIS country that takes on the role of the unifier also is not discounted.

Whereas the West's position with regard to the last two options for possible development is not sufficiently clear in the "white book," it turns out that there are already quite a few opponents of the CIS countries' reintegration both inside and outside them. These forces, backed by "neoisolationist" circles, are afraid that unifying processes might prevent democratic transformations and strengthen Moscow's "imperial" ambitions. Yevgeniy Primakov gave an assurance that this danger does not exist. There is not a single serious and influential political organization in Russia, he pointed out, which would advocate recreating the old USSR as a state in confrontation with the West. At the same time reintegration on new principles not at all hostile to anyone has become a vital necessity. But the thing is that certain Western circles are seeking to modify the position and the policy on Russia and the CIS. A curious picture is taking shape: Previously both sides justified the confrontation between the two systems by referring to the struggle between their own good and foreign evil. Now there is no communist evil and, to all appearances, there will not be anymore. So why is Russia once again acquiring enemies in the West? The latest "white book" does not provide an answer to this question.

Neither Yevgeniy Primakov nor the persons accompanying him specifically named a single opponent of the CIS unifying processes on either the Western or the Eastern side. Nor did they reveal the sources of the information obtained. True, a great deal, particularly some assessments by our intelligence officers, has something in common with the well-known brochure by Academicians Abalkin and Shatalin "The CIS: Reintegration." But it was not possible to make a scrupulous comparison of the two analyses, since there were not enough copies of the foreign intelligence "white book" for everyone.

It is, however, the usual thing for the secret services to have their secrets and not give them out.

ITAR-TASS Carries Press Review for 23 Sep

LD2309051294 Moscow ITAR-TASS in English 0452 GMT 23 Sep 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow September 23 TASS—The Friday editions of Moscow- based newspapers give prominence to articles about the opposition actions timed for the anniversary of the signing of the Russian presidential Decree No. 1,400 which terminated the powers of the Congress of People's Deputies and the Supreme Soviet (parliament).

NEZAVISIMAYA GAZETA Emphasises that no unity has been observed among the Russian opposition ranks despite all calls for cohesion.

"The opposition now associates all hopes that Yeltsin's power will collapse with a strike movement growth. However, they have a rather vague idea of it".

ROSSIYSKIYE VESTI carries an interview with Sergey Filatov, chief of the Russian president's staff. His opinion is that "the possibility of the country's advance along the road of reforms has become the chief outcome of the presidential decree signed on September 21, 1993: The political situation has cleared and we can look into the future without dreading confrontation".

ROSSIYSKIYE VESTI quotes presidential aide Georgiy Satarov that even if any accord among opposition forces is reached, it will achieved without Aleksandr Rutskoy.

PRAVDA runs an interview with Aleksandr Rutskoy.

Asked about his attitude to the events of the August of 1991, he told the newspaper as follows: "If I knew what would be the outcome of Yeltsin's democracy, I would have sided with his opponents. I mean a struggle for the preservation of the Soviet Union, not a direct involvement in the emergency committee".

In response to a question about his attitude to Vladimir Zhirinovskiy, Rutskoy stated: "It is possible to find a common language with him..."

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IZVESTIYA and TRUD carry articles dealing with Russian President Boris Yeltsin's forthcoming visit to the United States.

Vasiliy Kononenko, IZVESTIYA's parliamentary news analyst, referring to reliable sources, points out that the key aspect of the Russian president's address at the U.N. General Assembly session will be "a package of initiatives aimed at establishing a global security system with an eye to the 21st century. "If everything goes as is being planned in Moscow these days, we shall hear about supercardinal moves to rid mankind of weapons of mass destruction," the journalist writes.

TRUD's own correspondent in Washington reports that the bulk of documents which the Russian and U.S. Presidents will sign on September 28 "will deal with businesslike, mutually beneficial cooperation".

IZVESTIYA interviewed Russian Vice-Premier Anatoliy Chubays who described as a fantastic event the rapid growth of the rate of the shares of privatised enterprises in recent months.

For example, the rate of the shares of a majority of oil and gas complexes went up by 50 percent over the past week alone, and those of petroleum enterprises grew by 30 percent within 24 hours, Chubays said.

KRASNAYA ZVEZDA (Red Star) reports that ten percent less servicemen died in the Russian Army over the eight months of this year as compared with the corresponding period of last year. (The newspaper mentions that 1,359 people were killed in the Russian Armed Forces and 1,200 in the U.S. Army last year).

The number of crimes and incidents decreased by 28 percent as compared with last year. "Thefts of weapons substantially diminished, too, by 60 percent", the newspaper writes.

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Kozyrev Says Yeltsin Kiev Visit 'Put Off'

LD2209113894 Moscow INTERFAX in English 1053 GMT 22 Sep 94

[Text] Talks between Russian President Boris Yeltsin and Ukrainian President Leonid Kuchma, earlier scheduled for the beginning of October, have been put off, Russia's Foreign Minister Andrey Kozyrev announced. Before his departure to Kiev on Thursday, he told Interfax that the presidents were likely to meet in Moscow on December 21, during the CIS summit, when the date of their official talks would be determined.

He said that the date of Yeltsin's visit would depend, among other things, on preparations for it. "Ukraine has a new president and foreign minister," he said. "The situation is quite new, so everybody must think and find decisions which would meet the interests of both countries," he added.

He announced that in Kiev he would discuss preparations for the CSCE summit to be held at the end of the year, and for the CIS summit scheduled for October. "Boris Yeltsin has sent me to Kiev to demonstrate that no sphere is more important for Russia than fraternal and good-neighborly relations with Ukraine," he said.

He also said that in addition to this, given the new political situation in Ukraine, he would like to lay approaches to many problems, including those of the Black Sea Fleet and Ukraine's long- overdue debts.

Yeltsin Addresses Council on U.S. Relations

LD2209183394 Moscow INTERFAX in English 1641 GMT 22 Sep 94

[Text] Russian President Boris Yeltsin believes it is not enough to talk about good relations between Russia and the United States, what is needed is relations of partnership between two great powers. "We would like relations of partnership with the United States, both stable and reliable," President Yeltsin said at a conference of Presidential Council members in the Kremlin on Thursday.

In opening the conference, President Yeltsin said he would like to discuss two questions: Russia's immediate perspective on immediate economic and socio-political affairs and Russian-U.S. relations.

"I will be making a serious and very important address at the UN General Assembly session," President Yeltsin said. He asked Presidential Council members to submit proposals for the speech, because, he said "no errors should be made".

President Yeltsin reminded that he sought to act on advice given by the Presidential Council whenever the opportunity offered itself. However, he noted, it proved impossible on some occasions. He asked council members to respond to that adequately and not interpret it as a sign that the head of state disregarded their opinion.

The conference was attended by Presidential National Security adviser Yuriy Baturin, Academy of Sciences member Sergey Alekseyev, State Duma members Dmitriy Volkogonov and Yegor Gaydar and political scientists Andronik Migranian.

Yeltsin Advised Not To Exploit U.S. 'Weak Points'

LD2209202694 Moscow INTERFAX in English 1844 GMT 22 Sep 94

[Text] Some members of the Presidential Council and experts have advised President Yeltsin to build Russia's policy in relations with the United States "on using weak points in the policy of that country and its partners." However, most participants in the conference in the Kremlin on Thursday warned President Yeltsin against that tactic in negotiations with President Clinton. They believe that using mistakes made by the U.S. President and flaws in his policy and the policies of his partners is not in Russia's interest.

Speakers at the conference said that Russia would receive the greatest benefits "if its President appears as a pragmatist and a realist, aware of how difficult his task is—that of building a new, democratic Russia. America must see Russia as a reliable and stable partner, and not a state that seeks to exploit its weak points."

As for the forthcoming speech at the General Assembly session, President Yeltsin was advised to come out with the idea of a new declaration of human rights and freedoms and the rights of minorities that would condemn the policy of state nationalism.

The author of that proposal, Academy of Sciences Member Sergey Alekseyev, said that he saw nationalism as a modern version of fascism.

Alekseyev said in an interview that fascism in its original version was no longer in existence. It had transformed into a state-supported nationalism, whose aim is to bring about an ethnically pure state. However, ethnoses [as received] and nations cannot serve as the basis of the state, he said, whereas territories and peoples can. "If the state is built on an ethnic basis, it inevitably slides into tyranny," Alekseyev said.

Much of the conference's time was dedicated to Russia's domestic and economic problems.

Participants in the conference said that central to all that was said was the idea that democratic forces must not lose initiative. They called for developing, publishing and implementing as soon as possible a democratic program for Russia's development and to make preparations for the 1996 presidential elections on its basis.

Proposals were made for uniting the democratic forces. Such unification does not imply the merging of all democratic parties, but provides for an agreement on concerted action on basic issues of society's development.

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Russia's legal system and the state of its journalism were strongly criticized.

A number of speakers criticized the mass media for failing to explain to the people what democracy is and which democratic values have established themselves in Russia already. They said that in Russia there are vast opportunities for economic and political development, that is, appropriate conditions have been established for building a new state, but achieving the implementation of human rights and of inalienable rights and freedoms would be possible only with the energetic moves of the people themselves.

A number of speakers said that was precisely what the journalists must do. Deplorably, they are obsessed with other "fleeting and hot subjects."

As for legal matters, it was stated that court decisions on questions with great political significance had made the people think that the situation was hopeless and that justice in the country was unattainable.

President Yeltsin, according to his press service, shared with the conference some results of his summer activities and meetings with statesmen and his staff. He said he had instructed the drafting of a long-term forecast for Russia's economy to the year 2000 and a strategy for reform.

Participants in the conference said they realized the President was aware of alarming signs in Russia's development and was determined to act with initiative.

Clinton Statement on Emigration Policy 'Timely'

LD2209182894 Moscow INTERFAX in English 1641 GMT 22 Sep 94

[Text] "Russia sees as important and timely US President Bill Clinton's statement that the Russian emigration policy is consonant with US legal requirements," the Russian Foreign Ministry official Grigoriy Karasin said on Thursday.

Experts believe that President Clinton's statement is tantamount to the open-ended lifting of the Jackson-Vanic amendment, which had restricted trade with Russia.

"We have repeatedly told the Americans that discriminatory amendment in effect contradicts the spirit of partnership and hinders equitable and mutually beneficial trade and economic ties matching the potential of both countries," Karasin said.

He said he hoped that there will be no delays in effecting President Clinton's decision. "We likewise proceed from the understanding that the American side will display a constructive attitude to other acute problems," he said.

Karasin explained he was referring to cooperation in the sphere of export control and access to the American market for Russian goods and technologies.

U.S. Accused of Supporting 'Antidemocratic Tendencies'

LD2209183194 Moscow INTERFAX in English 1641 GMT 22 Sep 94

[Text] Several renown Russian opposition leaders said they did not believe in Washington's sincerity in claiming to be committed to democracy and human rights.

The Russian opposition passed a statement to Interfax today saying that the opposition leaders proceeded from the belief that the US openly supported anti-democratic tendencies in Russia which "fuels anti-Americanism in Russia."

The opposition leaders timed their statement to coincide with the upcoming visit of Russian President Boris Yeltsin to the US on September 23.

The opposition leaders said it was obvious that Russia would consider Yeltsin's visit to the US and the Russian-US military exercise on the Totsk training site, in defiance of the Russian parliament's will, as confirmation that the US supports the 'Russian coup d'etat on September 21-October 1, 1993.'

The statement was signed by nine opposition leaders including former Russian vice president Aleksandr Rutskoy, Communist leader Gennadiy Zyuganov, parliamentarians Anatoliy Lukyanov and Sergey Baburin, former Russian people's deputy Iona Andronov, an opposition leader Ilya Konstantinov and others.

Yeltsin, Major To Discuss Yugoslavia Settlement

LD2209153794 Moscow ITAR-TASS in English 1453 GMT 22 Sep 94

[By ITAR-TASS correspondents Valeriy Sevryukov and Vladimir Suprun]

[Text] Moscow 22 Sep (TASS)—The visit of Presdient Boris Yeltsin to Britain, which is to start on Saturday [24 September], will have a free, informal character, director of Russian Foreign Ministry's information and press department, Grigoriy Karasin, told a briefing on Thursday.

This form of communication will allow the Russian president and Prime Minister John Major to exchange opinions on international and European affairs in a range broader that protocol discussion, Karasin said.

Apart from addressing internal and political challanges of Britain and Russia, the two leaders intend to have a thorough discussion on troubled regions, in particular former Yugoslavia, the Foreign Ministry official said.

The talk concerning Yugoslavia settlement will be attended by the two countries' foreign ministers, Andrey Kozyrev and Douglas Hurd.

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The Russian foreign minister will also speak on the Yugoslavia issue during his forthcoming meetings at the 49th session of the U.N. General Assembly in New York. A regular meeting of the international "contact group" on Bosnia is likely to be held in New York at a foreign ministerial level.

Envoy Praises Russian Peacekeepers in Sarajevo

LD2209165494 Moscow ITAR-TASS in English 1626 GMT 22 Sep 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow September 22 TASS—Russian Defence Minister Pavel Grachev and Ambassador of the Socialist Republic of Yugoslavia to Russia Danilo Markovic met in Moscow today to discuss ways of settling the situation on the Balkans.

According to Yelena Agapova, an aide to the Russian defence minister, Marcovic expressed his appreciation of the Russian peacekeeping batallion's activity in Sarajevo.

Yeltsin Sends Message to DPRK Leader

LD2209164894 Moscow ITAR-TASS World Service in Russian 1350 GMT 22 Sep 94

[By ITAR-TASS correspondent Aleksandr Valiyev]

[Text] Pyongyang, 22 Sep—Russia's readiness to develop normal good-neighborly relations with the DPRK has been reaffirmed in an oral message from Boris Yeltsin, president of the Russian Federation, to the present leader of North Korea, Kim Chong-il, son and official successor to President Kim Il-song, who died in July. The message was passed during talks between Aleksandr Panov, special representative of the Russian president and deputy foreign minister of the Russian Federation, and his North Korean counterpart, Yi In-kyu.

Yeltsin's message reiterates Moscow's desire to assist in resolving the nuclear problem, inter alia by Russia supplying to Pyongyang light water reactors. "We have quite reliable technologies; moreover, they are years ahead of similar developments in other countries," Panov said in an ITAR-TASS interview today. The Korean side, Panov said, in principle was interested in Russian reactors, but the issue needed to be discussed further at the American-Korean talks which resume in Geneva on 23 September.

In the opinion of Panov, the message was received favorably. The Korean side noted the DPRK would like to have friendly and developed relations with Russia, in spite of differences in socio-political structures and ideals.

Presidential Envoy Forecasts New DPRK Leader

LD2209162594 Moscow ITAR-TASS in English 1543 GMT 22 Sep 94

[By ITAR-TASS correspondent Aleksander Valiyev]

[Text] Pyongyang September 22 TASS—The question of succession in North Korea has been solved. Kim Jong-il has long been recognized as the leader of the party, the people, and the army, Aleksandr Panov, the Russian president's special envoy and deputy Russian foreign minister, told TASS on Thursday.

The high-ranking diplomat was speaking after two-day talks with his North Korean counterpart Li In-gu.

North Korean diplomatic circles share the view that the son and official heir of the late president Kim Il-song will be voted into the party and state leader's office either on October 16 or 18 this year, after a 100-day mourning period expires. Many minor signs are adduced to confirm the date, but, in Panov's opinion, all of them allow ambiguous interpretation. In any case, no date was named during his recent talks with the North Korean official, Panov said.

The North Korean public has not been officially notified about the date of the planned elections. TASS has failed to learn anything special from Koreans in the street, too. The general feeling is, however, that Kim Jong-il will certainly be proclaimed the new leader.

Zhirinovskiy To Visit DPRK, Iraq in Oct

LD2209132394 Moscow ITAR-TASS in English 1316 GMT 22 Sep 94

[By ITAR-TASS diplomatic correspondent Vladimir Solbtsev]

[Text] Moscow September 22 TASS—Russian Nationalist Leader Vladimir Zhirinovskiy will pay a visit to two former Soviet allies, North Korea and Iraq in October, TASS learned from his staff on Thursday.

He hopes to meet North Korean Leader Kim Chong-il and will "definitely meet" Iraqi President Saddam Husayn, according to the sources in the Liberal Democratic Party [LDPR].

Zhirinovsky is to arrive in Pyongyang on October 3 making two stopovers on the Russian territory—evidently in Kemerovo and Blagoveshchensk.

An LDPR spokesman said the trip to North Korea was "a friendly visit" aimed to develop interparty and interparliamentary relations. He refused to definitely say whether any documents would be signed.

Zhirinovskiy will meet representatives of the North Korean ruling Workers' Party and hold meetings "with the people". The meeting with Kim Chong-il "is in question, but can take place", according to the spokesman.

In Baghdad Zhirinovskiy will participate in the international conference "Legal Aspects of Lifting the Blockade Against Iraq" in which lawyers from various countries are to participate.

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The LDPR spokesman said that Zhirinovskiy is "definitely sure" about his meetings with Husayn and Prime Minister Tariq 'Aziz [title as received].

Deputy Foreign Minister in DPRK for Talks

LD2209202194 Moscow ITAR-TASS World Service in Russian 1434 GMT 22 Sep 94

[By ITAR-TASS correspondent Aleksandr Valiyev]

[Text] Pyongyang, 22 Sep—Russia's readiness to develop normal good-neighborly relations with the DPRK has been reaffirmed in an oral message from Boris Yeltsin, president of the Russian Federation, to the present leader of North Korea, Kim Chong-il, the son and official successor to President Kim Il-song who died in July. The message was passed during the talks between Aleksandr Panov, special representative of the Russian president and deputy foreign minister of the Russian Federation, and his North Korean counterpart Yi In-kyu.

Yeltsin's message reiterates Moscow's desire to assist in resolving the nuclear problem, inter alia by Russia supplying to Pyongyang light water reactors. "We have quite reliable technologies, moreover, they are years ahead of similar developments in other countries," Panov said in an ITAR-TASS interview today. The Korean side, Panov said, in principle was interested in Russian reactors, but the issue needed to be further discussed at the American-Korean talks which resume in Geneva on 23 September.

In the opinion of Panov, the message was received favorably. The Korean side noted that the DPRK would like to have friendly and developed relations with Russia, in spite of differences in sociopolitical structures and ideals.

The sides discussed a large number of issues concerning relations between the Russian Federation and the DPRK. Normal relations should be maintained between the two countries, Panov stressed. It would be a good idea to raise their intensity. He pointed out that political dialogue has been stepped up recently: There is a plan for exchanges between Foreign Ministries and through other channels. In particular, there is an agreement on parliamentary contacts. Yi In- kyu said Korea supports this proposal.

"We are concerned at the reduction in bilateral trade," the Russian deputy minister for foreign affairs said, adding that it is unlikely to top 100 million dollars this year and that action must be taken. A session of the intergovernmental Commission on Trade, Economic, Science, and technology cooperation is scheduled for October in Pyongyang, and the sides will exchange suggestions on how to improve the situation. There will be no easy solutions, the Russian diplomat said, but both sides are, nonetheless, drawing closer to each other.

A list of past bilateral agreements and treaties in need of updating to reflect current conditions was also forwarded to Korea. During the talks, representatives of both sides agreed that they should conclude treaties on avoidance of double taxation and on protecting and encouraging investment. Answering a question from ITAR-TASS, A. Panov said the list did not include the Treaty on Friendship, Cooperation, and Mutual Aid concluded between the DPRK and former USSR in 1961, since Moscow's stance regarding this document is already known. The treaty remains in force until 1996, he said, and measures will be taken one year before it expires, so there is still time to think things through.

Opinions were also exchanged on the vexed issue of North Korean timber workers in the Russian Far East. According to A. Panov, the sides resolved the legal issues, leaving the economic ones, including profit-sharing. These will be taken up by experts, he said, but it should be noted that both Moscow and Pyongyang are interested in continuing their cooperation in this field.

A wide range of international issues also arose, in particular, the situation on the Korean Peninsula. DPRK representatives stressed they see their primary task as to hold talks with the United States and they intend to draw up a new mechanism to secure peace on the peninsula. Until then, Pyongyang intends to observe the cease-fire that ended the Korean War (1950-1953). It was pointed out, in particular, that Russian ideas on such a mechanism will be welcomed.

A. Panov said both sides voiced their satisfaction with the talks and declared their desire to develop the dialogue.

Commentary Reviews U.S.-DPRK Talks in Geneva

SK2309020894 Moscow Radio Moscow in Korean 1200 GMT 22 Sep 94

[From "Today's World" program]

[Text] The high-level talks between the United States and the DPRK will resume in Geneva on 23 September. During the previous talks an item-by-item agreement was reached on the questions to be settled. Station commentator Vladimir Koriylov has written that this will constitute the core of the draft of a treaty [choyakan] between the two countries.

The following are the agreed items:

The DPRK stated that it would freeze the construction of the two graphite-moderated reactors and the facilities that process nuclear fuel.

Pyongyang is expected to continue to remain in the Nonnuclear Nonproliferation Treaty [NPT] and to accept international inspections of nuclear facilities.

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Meanwhile, the United States has promised to support Korea's construction of a light-water reactor with multinational efforts. The United States guarantees not to pose a nuclear threat to North Korea if the DPRK remains in the NPT. The United States and the DPRK are working to improve and normalize the relations between the two countries, including the exchange of diplomatic missions.

With the approach of the high-level talks in Geneva, experts from the two countries had been discussing the unsolved questions in Berlin, Germany and Pyongyang.

The questions, which were agreed upon at the (?expert-level talks), will be finally settled at the upcoming second session of the third round of the high-level Korean-U.S. talks. The U.S.-side delegate and the Pyongyang-side delegate, who are opening the Geneva talks, are sure of success.

Aleksandr Panov, a Russian presidential envoy and deputy foreign minister, is now visiting Pyongyang until 24 September. It is analyzed that this visit was a measure to restore the relationship [yongye], which has remained broken [tanjoldoen] since the collapse of the Soviet Union.

Both Moscow and Pyongyang are looking forward to the promotion of a mutual relationship. The Russian presidential envoy will discuss with a Korean-side delegate the questions of a mutual relationship [ssangmu yongye] under the new international condition, the situation on the Korean peninsula, and nuclear programs.

State Duma Chairman To Tour Caucasus

LD2309090694 Moscow ITAR-TASS in English 0816 GMT 23 Sep 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan September 23 TASS—Chairman of the Russian State Duma Ivan Rybkin will tour Armenia, Azerbaijan and Georgia approximately in mid-November, ITAR-TASS learned from Konstantin Zatulin, chairman of the State Duma Committee for CIS Affairs and Ties with Compatriots, who is now in Armenia. The head of the lower chamber of the Russian parliament will visit Yerevan in reply to the recent trip to Moscow of a delegation of the Armenian Supreme Soviet, led by its chairman Babken Ararktsyan.

The central problem to be discussed by Rybkin in Armenia will be the Nagorno-Karabakh settlement. Aside from it, we hope the visit will promote our interparliamentary cooperation, Zatulin continued.

According to Zatulin, there are problems connected with the discussion of some budget proposals. The budget committee of the State Duma is now discussing the draft budget for 1995, and a number of problems call for special examination. Armenia is interested in getting rouble credits. The State Duma is playing the decisive role in the adoption of the Russian budget, and it is important to analyse some of those problems right here, in Armenia, Zatulin said.

Intelligence Examining List of Nuclear Smuggling Suspects

LD2209124394 Berlin DDP/ADN in German 1140 GMT 22 Sep 94

[Excerpt] Moscow (DDP/ADN)—Russia's counterintelligence service is closely examining a list recently sent from Bonn containing the names of persons possibly involved in nuclear smuggling activities. Mikhail Dedyuchin, head of the department responsible for the security of strategic nuclear facilities, said in Moscow today that at least one of the persons on the list used to work at a nuclear plant. Others currently live in areas where nuclear plants are located and could well have contacts with plant personnel. However, no plutonium for the armaments industry is produced at these facilities, he said.

Dedyuchin added that no final conclusions can be drawn, as the list has not yet been fully assessed. He did believe, however, that the smuggling of nuclear material from Russia is being exaggerated by the western media. He stressed that most of the disappeared radioactive material involves isotopes unsuitable for the manufacture of nuclear weapons. [passage omitted]

Shokhin Quantifies Third World Debt

MM2209151994 Moscow ROSSIYSKIYE VESTI in Russian 20 Sep 94 p 2

[Article by Aleksandr Shokhin: "We Are Owed $7 Billion and 100 Billion Foreign Exchange Rubles"]

[Text] With regard to Russia's financial assets—above all, the debts of developing countries of a socialist orientation to the former Soviet Union—astronomic figures are sometimes given. For example, $165 billion. But in this case it is more correct to use rubles. Then you get a sum of 100 billion foreign exchange rubles and approximately $7 billion.

We are owed currency by Iraq and Libya and rubles by those states which (with the exception of Cuba) are no longer oriented toward socialism. Moreover, they reproach the USSR and Russia as its legal successor with having given "aid" precisely in the form of special deliveries, i.e. weapons.

Getting these debts repaid is a highly specific task. We are working on various options for resolving it. In particular, there are countries which repay their debt regularly, like India. But, unfortunately, until recently the mechanism for using rupees was not very efficient. Many enterprises and foreign trade associations received rupees with large deductions (up to 40 percent) and with long deferments in payment of the ruble equivalent (up to six months). As a result, the efficiency of the use of

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these assets was close to zero. In point of fact, the budget subsidized particular enterprises of ours when working with Indian rupees.

In the very near future we will, obviously, go over to a more universal mechanism and, following the example of closed clearing currencies, we will be able to show its effectiveness in getting debts repaid. There are other methods too. For example, converting a debt into ownership. We have quite a lot of such proposals from Russian commercial structures which are prepared to invest in the debtor-countries' economies. But they ask for the corresponding payments into the budget to be deferred if the state passes on to them a particular debt. Here we are trying to find transaction methods which will avoid losses for the budget.

There are also, in my view, very simple formulas—for example, passing on debts to other countries. But how is this to be done? If these debts had been drawn up in the form of securities in the past, they would be quoted on the secondary market and would be easy to pass on, sell, etc. As a rule, however, they took the form of secret agreements, since their commodity part was of a specific nature. Nevertheless, negotiations in respect of passing on a debt are possible. But they can only be conducted with the consent of the debtors, and these are in no hurry to give the "go-ahead" to such talks, hoping to "get out" of repaying their debts.

So work is proceeding on all these proposals. We are being watched very closely by our Ukrainian colleagues, since we have not yet signed an agreement with Ukraine on the well-known zero option to the effect that that part of the debts and assets which is due to it passes to Russia. They are all the time trying to ascertain whether we have sold some third-world debt and whether they can demand their share.

I believe that the discussion with Ukraine will proceed from the present realities. During 1993-1994 we will have paid out approximately $6-7 billion. If Ukraine claims something, it must pay one-sixteenth of this sum, as previously agreed. This is $1 billion [figure as published]. Only after such a payment are we prepared to discuss Ukraine's participation in the trade in assets.

So, the real worth of our assets is not $165 billion but that which we manage to agree on.

Talks Over Fishing Near Kurils Denied

LD2209180594 Moscow INTERFAX in English 1610 GMT 22 Sep 94

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] A high-ranking official of the Russian Foreign Ministry denied that some unofficial Russian-Japanese consultations were being currently held in Moscow for ensuring safe fishing in Russia's territorial waters near the Kuril Islands.

The diplomat told Interfax today that no such consultations had been held and that only representatives of the two countries had met in Moscow on September 13 in order to exchange opinions on settling the issue of fishing near the South Kuril Islands.

The diplomat added that Moscow and Tokyo had not yet agreed to negotiate on the issue. He also denied that the Japanese Foreign Ministry had transferred to Russia a project proposing that Tokyo gave to Russia financial funds for preserving the natural resources in the region instead of paying for fish netted near the South Kuril Islands. "We learned about the project only from Japanese press reports," the diplomat said.

He confirmed the readiness of Russia to a constructive exchange of opinions with the Japanese side with the purpose of reaching mutually-acceptable agreements on legal fishing in the zone of the South Kurils.

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Political Issues

Article Notes Failure of Energy Minister

MM2209140994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 20 Sep 94

[Article by Yevgeniy Anisimov under "Fuel and Energy Complex Review" rubric: "Decorative Minister"—from the DELOVOY VTORNIK section p 1]

[Text] By no means just the first session of the government commission on nonpayments (in my view this has now become another name for the Cabinet of Ministers) was devoted to money which is not being received by oil, gas, power engineering, and coal workers from purchasers of their products. Nobody is surprised by the distinguished persons' constant attention: Because it is not receiving all the money it has earned, the fuel and energy complex cannot pay its suppliers, they cannot pay theirs, and.... The vicious circle just goes on and on.

Oil workers are reducing extraction at a consistent rate—the forecast for the end of this year promised only 292 million tonnes, but it has proved too optimistic—Fuel and Energy Ministry specialists reduced the number by almost 7 million tonnes because of nonpayments. It is impossible to overcome the inertia of recession quickly—even if suddenly, by a wave of a magic wand, all extractors received money, it would take years to restore an abandoned site and to survey and put into operation a new one. But nobody has a magic wand, other ways of saving fuel and energy complex sectors must be found. But who should do this? Who will save them?

Yu. Shafranik's appointment as head of the Russian Fuel and Energy Ministry was received at the time by the oil and gas "generals" calmly, if unenthusiastically. "The talkative politician may do as he likes but the main thing is for him not to interfere"—this was heard many a time. When important questions had to be resolved they turned to deputy ministers, and somehow this suited everyone. For the time being, naturally: Being a minister means, whether you like it or not, that you sometimes have to make decisions. Well, at least endorse other people's decisions. At the end of the day, in terms of status a minister is supposed to be a member of intergovernmental delegations heading off to sign important documents. It is deliveries of energy sources under intergovernmental agreements that are accounting for around one-half of the fuel and energy complex' nonpayments. The dynamics of the increase in consumers' debts is remarkably evident from the graph [line graph shows customers' debts to fuel and energy complex enterprises increasing from a little above zero between 1 May 1993 and 1 August 1993 to 35 trillion rubles at some time after 1 September 1994], and the foreseeable future is not encouraging either.

For instance, Belorussia [Belarus] owes a trillion rubles, but is not stopping there—only 70 percent of energy sources being received is being paid for. And that is according to Belorussia's official representatives. In the opinion of Russian specialists a much smaller proportion is being paid for. The situation is even worse in Ukraine. Gas deliveries are having to be reduced, forcing the neighboring state if not to pay then at least to moderate its appetites and not accumulate debts at such a fast rate. Is Minister Shafranik responsible for these debts? Of course he is, although not alone.

Internal Russian nonpayments are a domain in which one word from the oil minister should suffice. Well, maybe not one—two or three. But Minister Shafranik has hopelessly lost the backstage battles with both the agrarian and the military-industrial lobby. Actually there was no struggle at all: Soskovets and Zaveryukha did not want to settle up with Yuriy Konstantinovich, and he was unable to force them to settle up with him. Consequently the redistribution of the nationwide pie in favor of the agro-industrial complex and military-industrial complex continues in the same way in which it has been proceeding.

In principle, Shafranik had the chance to become an influential figure. To do this he should have entered into an alliance with the radical reformers, who tried their hardest to start up the mechanism of bankruptcy. Then, threatened with being removed from their posts (and their property!), directors of the selfsame military-industrial complex and agro-industrial complex would have to find the resources. Or share their property with with their creditors in order to clear their debts. But this somewhat paradoxical way of saving the fuel and energy complex evidently did not occur to the minister. The paradoxicality of the method lies in the fact that the oil and gas generals do not overly favor radical reformers. But a choice had to be made here—either to make common cause with Gaydar-Fedorov-Chubays or to doom themselves to defeat in the struggle with lobbyists much more influential than Shafranik.

Shafranik now has two routes. The first is more suitable for a real man: You lost so you have got to go yourself.

By taking the second route he will be a "decorative" minister for a while longer, though pretending that a great deal depends on him. At the end of this route a scandalous dismissal inevitably awaits him—at a suitable moment a suitcase containing compromising material will surface from somewhere and will go straight to the prosecutor's desk. In that case he will at best be sent to Burkina Faso as ambassador....

Criticism Result of Wider Agenda

MM2309092094 Moscow RABOCHAYA TRIBUNA in Russian 21 Sep 94 pp 1-2

[Article by Yuriy Petrov under the "Subjective Notes" rubric: "If Shafranik Does Not Give In..."]

[Text] At the end of last year one of the officials in the highest corridors of power confidentially exhorted me:

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"Is RABOCHAYA TRIBUNA striking up a friendship with Shafranik? Is there any future in doing that?"

Officials evidently make a career precisely because they calculate everything in advance—both friendship and prospects.

[I said:] "Shafranik is a new minister in the government of reformers. He got to know life not in a scientific research institute but in production. That is why he is of interest to RABOCHAYA TRIBUNA. Both as a member of the government and as a person."

"He toys with politics," my interlocutor continued.

[I said:] "In my opinion, he does not toy with it but treats it seriously."

Then the same source alleged that Shafranik was "worked on" as if he had merely broken a convention. He was asked: What are you doing, dear colleague? We agreed that members of the government would not seek nomination in the coming Federal Assembly elections, yet you did. This is not good.

Then there was supposedly a repeat conversation: You criticize the government's actions in the press, you court popularity, and you keep aloof from the government's responsibility. This is not good.

But Yuriy Shafranik continued his line—a line of survival and of strengthening the fuel and energy complex under conditions of a wholesale decline in production in literally all sectors of Russia's national economy.

Then a third version came into being: Shafranik was going to an African country as ambassador. He was said not to have heeded his colleagues' warnings that he should reflect at leisure on the nature of power. When it was decided recently that he would head a delegation to Libya to settle our present rather complex relations, the verdict was brief: He was going to familiarize himself with his future place of service.

Shafranik's career seems to disturb someone greatly. Not without reason.

Yesterday DELOVOY VTORNIK (KOMSOMOLSKAYA PRAVDA's weekly edition) called Yuriy Shafranik a "decorative minister" and virtually passed sentence on him. Of course, this was not done by KOMSOMOLSKAYA PRAVDA but by those forces which finance and publish DELOVOY VTORNIK. Shafranik is blamed for the avalanche of payment defaulting that has hit Russia's fuel and energy complex, which he heads as the no. 1 minister.

Such a formulation of the question would be flippant—neither Shafranik nor any other minister can build communism in one sector of the Russian economy taken on its own when it has been derailed by either naive or simply clumsy radical reformers—if it were not for several points.

Shafranik's guilt is being determined by the level of debt owed by Belorussia [Belarus] and Ukraine for the supply of energy sources. The author accuses Shafranik of failing to adopt in relations with the neighbors the highly laconic kind of language in which money means gas and no money means no gas. This is how the question is being put right now, when new presidents have just acceded to power in both neighboring states.

Second point: The overt attempt to make Shafranik clash head-on with Soskovets and Zaveryukha, who are allegedly to blame for his failed ministerial career.

There is also a third point, maybe of paramount importance: This is the first time that the Russian magnates now coming into power have openly complained against the no. 1 minister and, through him, also the no. 1 vice premier for redistributing "the national pie in favor of the agro-industrial complex and military-industrial complex." They have made it clear that they have no intention of continuing to tolerate this. And the same will happen to everyone who does not "share property with creditors in order to clear debts."

The question has been put in a businesslike way. We will report later on the answer that it received at yesterday's government commission session, where, toward the end of the day, Shafranik was reporting on the problem. But, in any case, ministers, deputies, and other state officials should all understand now that the government cannot work to the detriment of Russia; at any rate, we should not allow this. Owners of plants, newspapers, and steamships have no intention of tolerating this either. In this we are their partners and are of the same mind.

Yeltsin Consults Colleagues, Experts on Issues

MM2309103694 Moscow ROSSIYSKAYA GAZETA in Russian 22 Sep 94 Weekend Edition p 2

[Unattributed report under the rubric "Quickly and Briefly": "Meeting Place—the Kremlin"]

[Text] Russian Federation President Boris Yeltsin held a meeting in the Kremlin yesterday with Vladimir Shumeyko and Ivan Rybkin—the chairmen of the Federal Assembly chambers—and Prime Minister Viktor Chernomyrdin.

At the beginning of the meeting Boris Yeltsin noted that "at the conference of representatives of the president, the Federal Assembly chambers, and the government there was a pretty good exchange of opinions on the coordination of work." The president suggested "holding such meetings regularly, but with our participation."

A further meeting in the Kremlin yesterday between Boris Yeltsin and specialists and experts was devoted to two problems: Russia's prospects in the economy and in political and social life in the immediate term, and Russian-U.S. relations. These two themes, the head of the Russian state stressed, are closely linked, especially

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in the runup to the Russian Federation president's visit to the United States and his major speech at the UN General Assembly session.

This time a mixed crowd has been gathered—"to make things more interesting," Boris Yeltsin remarked, welcoming his guests.

Ecologists Picket Russian President's Offices

LD2309101094 Moscow ITAR-TASS World Service in Russian 0913 GMT 23 Sep 94

[By ITAR-TASS correspondent Mikhail Karlov]

[Text] Moscow, 23 Sept—The administrative offices of the Russian president on Staraya Square have been blockaded for about an hour and a half by 30 activists of the radical ecological movement "The Guardians of the Rainbow." They are demanding that ecologically safe methods be used during the elimination of nuclear weapons.

Talks with officials have produced no results. The protesters chained themselves to drainpipes and door handles. The militia is trying to get them to leave the square.

Protesters Removed From Building

LD2309110394 Moscow ITAR-TASS World Service in Russian 1028 GMT 23 Sep 94

[By ITAR-TASS correspondent Mikhail Karlov]

[Excerpts] Moscow, 23 Sep (ITAR-TASS)—The entrance to Staraya Ploshchad where the Russian Federation president's offices are located was blocked for almost 90 minutes by activists from the "Guardians of the Rainbow" radical ecological movement. They were petitioning the heads of the committee for conventional problems relating to chemical and biological weapons to demand that the destruction of chemical weapons in the country be halted.

Around 30 people (aged 18-25) from Moscow and Moscow Oblast, Nizhniy Novgorod, Kaliningrad, and Ukraine took part in the protest. [passage omitted]

Security officers from the [presidential office] building called in the police who arrested the protestors. They put up no resistance and were taken from the square by car. The officer leading the "operation" refused to tell the press where they were taken.

National Unity To Boycott Opposition Actions

MK2209141094 Moscow SEGODNYA in Russian 21 Sep 94 p 2

[POSTFACTUM report: "Russian National Unity Parts Company With Communist Opposition"]

[Text] "The Russian National Unity [RNU] has its own way, which will never cross with that of the communist-nomenklatura opposition," RNU leader Aleksandr Barkashov's statement says. The movement does not think it possible to take part in opposition-sponsored events in connection with the anniversary of the October events. "We do not want the memory of the tragic events of those days to be turned into a cynical political show and a promotion for yet another group of leaders. We will not take part in the advertising-political farce played on blood," the RNU statement emphasizes.

Democratic Organizations Join Forces

MK2209131094 Moscow SEGODNYA in Russian 22 Sep 94 p 2

[Report by Gleb Cherkasov under the "Democratic Camp" rubric: "Democratic Organizations Are Trying To Unite. Each Has Its Own Approach to Unity"]

[Text] The parties and movements of democratic variety are actively preparing for the autumn political season and making attempts to overcome the present disunity of the democratic movement.

Gavriil Popov, leader of the Russian Movement for Democratic Reforms [RMDR], and Lev Ponomarev, cochairman of the "Democratic Russia" movement, signed yesterday an "Agreement on a Political Union" under which the contracting parties, "recognizing the proximity of their main political goals," are to hold constant consultations to hammer out shared positions, coordinate the actions of their organizations based in federation components "while preserving the right of regional branches to make decisions independently on joint activities taking account of local conditions." Also, the RMDR and "Democratic Russia" intend to agree in the future on nominating candidates in various elections, parliamentary elections included.

Speaking in a press conference unveiling the signed agreement, Gavriil Popov confirmed the proximity of his organization's positions and those of the "renovated" "Democratic Russia," and suggested that the new coalition could successfully cooperate with the "Union of 12 December." Mr. Popov pointed out that the need for concluding a similar agreement with the Economic Freedom Party [EFP], which has already concluded a cooperation agreement with "Democratic Russia," is now under consideration.

The "Democratic Russia" members who would not rally to the "Democratic Choice of Russia" banners are continuing, concurrently with the signing of political union agreements, the work on setting up a Federal Party of "Democratic Russia." According to a spokesman of the new party's organizing committee, a sitting of an all-Russia organizing committee of the Federal Party of "Democratic Russia" is to take place in Moscow on 7 to 8 October to name the date for a founding congress. According to the spokesman, the new party is not going to supersede the eponymous movement, but rather would become a part of it.

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A congress of the Political Movement of "Russia's Choice" is to take place about the same time to define the organization's new tasks and to make changes in the movement's leading organs.

The calculations of many politicians, however, may mar the results of the "United Democratic Center" [UDC] founding congress scheduled for this coming weekend. The UDC brings together the regional branches of democratic political parties and movements regardless of the terms their Moscow chiefs have with each other. According to a congress organizer, Ilya Roytman, director of the Institute of Politics and International Relations, the congress will be attended by delegates of 48 regions. Remarkably, primary UDC organizations have already been set up in 10 of them. According to Mr. Roytman, regional democrats have become accustomed to working together without subdividing into parties and movements. Strictly speaking, the founding of the UDC is supposed to foster democratic unity organizationally at the regional level. Igor Roytman stated that "no one is interested" in the party leaders' reaction to the creation of the "United Center." Mr. Roytman did not rule out the fact that after it has been created the UDC may alter the alignment of forces in the Duma, noting, however, that the "United Center" pins its main hopes on the next parliamentary elections. For the time being, the UDC intends to help its supporters in the regional elections.

Economic Issues

Soskovets Reviews State of Economy

MM2209164194 Moscow DELOVOY MIR in Russian 21 Sep 94 pp 1,6

[Article by Oleg Soskovets, first deputy chairman of the Russian Federation Government: "Economic Reform: What Has Happened, What Will Happen"]

[Text] Various regional and sectoral reforms and experiments were actually begun under the USSR Government—these were implemented, as a rule, under a centralized management system and, naturally, the transformations relating to the improvement of the economic mechanism did not affect and could not break up the system itself. This shows that they were half-hearted, pseudoscientific, and unable to alter the main trends in the country's socioeconomic development of recent years.

First Steps: Failures and Achievements

Russian economic reform began to be implemented under exceptionally unfavorable conditions, whereby time for comparatively smooth transformations had been hopelessly lost. The constant delay in beginning the reforms compounded the critical processes in the national economy.

The results of the first year of reform showed that pathological processes in the economy had gone too far. Price growth and the inflation rate exceeded expected parameters. High inflation devalued citizens' incomes and savings, and undermined the motivation for labor and entrepreneurial activity.

Enterprises and entire sectors experienced serious difficulties and a slump in production, many of them were on the brink of bankruptcy. The ruble exchange rate continued to fall.

At the same time, we cannot consider the results of the transformations that were begun to have been exclusively negative. First and foremost, it proved possible to achieve substantial progress along the road to a balanced market. Shortages gradually become a thing of the past. The financial system was saved from collapse, the trend of a slide into hyperinflation was overcome, and a working national currency was preserved. Many parts of Russia kept their production and cadre potential for future growth despite all the difficulties of the economic situation, the breakdown of economic ties, and the social tension. The preservation of the international community's confidence and the start of constructive cooperation with foreign partners can be considered an important result of the first year of reform.

Undoubtedly, despite all the difficulties of the initial period and the destruction of many social institutions, it proved possible to ensure minimal support for poorly protected sections of the population and to prevent mass unemployment and starvation.

Two main points can be highlighted in the government's actions to regulate the money supply.

During the initial period (January-May 1992) there were tough controls over the money supply, which prevented the economy from sliding into hyperinflation after the liberalization of prices on 2 January 1992. It proved possible to implement this line relatively successfully, and, on the whole, money-supply growth rates were held at the entirely acceptable level of 9-17 percent a month.

The consolidated budget was virtually balanced. In January-April 1992 it showed a small surplus, and in May 1992 its deficit was still relatively small—at around 6 percent. Credit emission remained moderate at 8 percent.

Monetary and credit policy in this period led to a fall in headline [otkrytyy] inflation. Following the January 1992 price explosion of 345 percent, the consolidated consumer price index gradually fell to 112 percent in May and 109-111 percent in July-August. The wholesale price index in industry also fell from 482 percent to 113-117 percent in July-August.

But, as of June 1992, as a result of powerful pressure on the government, there was a move from a limited to an openly pro-inflation policy.

The government's budget expenditure grew across the board, but particularly significantly on social programs

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and the funding of the national economy. As a result, the 1992 consolidated budget system deficit during the summer months fluctuated between 15 and 30 percent of GDP, requiring the credit resources of the Central Bank to cover it and thereby becoming one of the most important factors driving inflation.

The increased money-supply levels, once they reached the consumer market, brought about a reduction in the goods on offer, devastated stocks of goods, and boosted price growth. Credit resources were thrown into the foreign exchange market, leading to a sharp fall in the exchange rate (from 112.4 rubles [R] in June to R448 in mid-November 1992).

The serious deterioration in the macroeconomic situation, threatening to produce uncontrollable money-supply growth and a slide into hyperinflation, made the government embark as of September 1992 on tightening up budgetary policy, which fell under the sphere of its direct influence.

The continuing growth in the volume of credit was caused by the adoption of new pension legislation. This meant that the most important macroeconomic problem of the coming period was to slow inflation, which had reached dangerous levels. The incipient trends during this period required new approaches in economic policy. A range of emergency measures was adopted to normalize the socioeconomic situation on the basis of stabilizing production, cutting the inflation rate, and strengthening statehood and law and order.

The priorities ensuring the possibility of stabilizing the economic, social, and crime situation in society and bringing about accelerated progress toward the creation of a socially oriented market economy were defined. They envisaged state regulation of the process of shaping market relations, including at the micro level, and the consolidation of the actions of the majority of economically active population groups, adapting them to market conditions, which, as a result, made it possible to overcome the population's alienation from reform. The social base of reform expanded, since a certain section of the population found it had a real interest in it.

Our Task—A Predictable Economic Policy

One of the priorities of the government's economic policy has been to stabilize and maintain production. It was assumed that financial support would be provided for enterprises in critical situations and that investment and demand for investment goods would be stimulated through federal targeted programs, subsidies and tax breaks, and support for the material and technical supply of certain important production facilities through state purchases.

The government did everything it could to prevent a further fall in the people's living standards during the new period of reform, focusing its efforts on the decisive battle against price growth, a guaranteed minimum income for poorly protected population groups, and the establishment of realistic minimum pension and wage levels in budget-funded sectors of the economy, in the belief that proper living conditions for all could only be ensured by a real change in property relations and economic restructuring.

The task was set of making the government's economic policy stable and predictable, and of shaping a clear system of social expectations in society. This task, in our opinion, has been fulfilled. Questions of financial stabilization, the strengthening of the ruble exchange rate, the limitation and stabilization of inflation, and the creation of the conditions for turning the ruble into the sole legal tender on Russian territory were placed on the agenda. The task was also set of subordinating budgetary and credit policy to specific economic and social priorities.

Property relations are a special issue. Their transformation was carried out in the interests of enhancing economic efficiency and shaping a civilized market economy.

Privatization has resulted in the levers of economic management being handed over to those able to wield them with the greatest efficiency, which, in turn, has been the basis of the change in the rate of growth of the population's incomes.

The transformations that have been begun have had a particularly painful impact on agriculture, which had long been subject to administrative constraints. A policy ruling out noneconomic pressure on farms, support in the form of resources, and incentives for their efficient use became the rule in respect of the countryside. Resources were focused on support for promising farms, irrespective of their form of ownership, while simultaneously attempting to ensure price parity between city and countryside through economic measures.

An attempt was made in industry to shape a mechanism of structural transformations ensuring that the domestic market was saturated with foodstuffs and consumer goods, and to ensure growth in export potential.

There was an urgent need to really shift the center of gravity of reform to local level and to demarcate spheres of responsibility and sources of budget revenue for federal, republic, and local executive organs.

At the same time, the socioeconomic situation continued to be very complex and unstable in 1992. Numerous problems affected the country, enterprises, and citizens. Social differentiation intensified. Millions of people continued to live below the poverty line. Many industrial sectors were having a hard time, including the defense sector—which had lost most of its military orders—science, and culture. There was not enough money to resolve very acute environmental and health problems. There was a threat of unemployment, and crime increased. Russia had entered the severest phase of the crisis, which covered 1993.

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But the progress of reform and economic stabilization were increasingly dependent on political confrontation—primarily over the direction of the reforms. But this attested not to the failure of reform, but merely to the difficult and contradictory nature of the transitional period.

As of fall 1992 relative stabilization was achieved in production—although at a low level—at the price of an easing of financial, credit, and monetary policy, an intensification of inflation, and a delay in structural improvements. Implementation of the privatization program began.

By mid-1993 the position of the Russian economy was typified by certain positive shifts. Production levels remained stable, although the threat of another slump had not passed. Throughout the first half of the year the government managed to pursue a moderately tough financial, monetary, and credit policy—as a result of which inflation fell somewhat, although it remained high. The ruble exchange rate stabilized notably. As imports fell, foreign trade moved into the black. The population's living standards stabilized too.

Having analyzed the lessons of 1992, the government made certain amendments to the reform program, aimed at boosting the social thrust of economic policy, bringing in new measures to fight inflation and restore order to the financial, credit, and monetary spheres without shock therapy, continuing with privatization and, at the same time, enhancing the controllability of the state sector of the economy, strengthening the selective nature of structural policy by switching from mass support for production to the funding of economically sound projects, enhancing the regions' role in the implementation of reform, and switching the center of gravity of reform to local level.

The experience of the first 18 months of the implementation of economic reform made it possible to analyze the mistakes made in greater depth and determine the positive trends that require reinforcing and further development.

This was reflected in the new Russian Federation Government program "The Development of Reform and the Stabilization of the Russian Economy," adopted 6 August 1993.

The government reform program assessed how far we had come and outlined our main goals and tasks. Naturally, any program is a kind of prediction of the development of events in the socioeconomic sphere. Of course, not all programs have been able to reproduce with complete accuracy the economic situation in a country in one or two years' time. But the advantage of all of them is that they are united by an internal logic, and their positive results are the basis for progress toward the formation of civilized market relations in Russia.

The elaboration of programs has always been accompanied by specific government action plans, and not a single provision of these programs has gone without being put into practice.

If we look at the progress in implementing these plans, we can see that many measures which it had been planned to adopt at certain stages in the implementation of reform have ceased to be relevant—which, as a rule, was the result of the fact that progress on the road to the market economy produced incentives and conditions for solving problems on the basis of internal self-regulation and our own market system of economic management.

Legislative Base of Economic Reforms

However, for the sake of objectivity it is essential to note that problems have emerged which have spilled over from month to month and have not been solved either with the aid of market regulators, or under the direct intervention of the state.

The nature of these problems is varied, but their thrust is one and the same. The formation of a legislative base for the economic reforms is the work of not just one day or even one year. It is a lengthy process, embracing the specifics of the economic development of Russia, its national traits and peculiarities, the inculcation of respect for the law, and the formation of confidence in the fact that movement toward a socially-oriented market economy is capable of guaranteeing a worthy standard of living for the able-bodied and active part of the population, and reliable support on the part of state and private institutions for the socially vulnerable part of the population.

The government's program-based actions, which have been reflected in preparing the plan of normative acts, were implemented right from the first steps of conducting economic reform, but they were ignored by the mass media. This generated comments from representatives of various associations, political parties, and movements that the government is acting blindly, without having its own programs reflecting the aims and tasks for the near future. In fact, this is a long way from the truth. Upon beginning the reform in 1992, the government proceeded from the premise that resolute actions can and must alter the economic situation, that the time for discussions had already ended, and that arguments over the ways and means of transferring to the market had been bandied about not just since the beginning of 1992, but long before its arrival.

Stabilization programs in all countries have been implemented in a short stretch of time. An attempt was made in Russia, too, to carry it through in a very brief space of time, but political confrontation within Russia and the parade of sovereignties by republics—former USSR components—with the introduction of their own currencies created improbably complex conditions for financial stabilization.

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It is also necessary to take account of the fact that the words "complex conditions for conducting reform" bring with them a whole train of problems requiring a timely solution, starting from aid from foreign partners and ending with the quelling of the wave of strike movements that were demanding that an increase in the working wage be secured.

Now this is basically road which has already been travelled, a stage which has passed into history. Russia has survived the most difficult period of the start of the economic reforms and the hardest phase of the crisis, and the bitter fruits have been plucked. The highly protracted period of financial stabilization is coming to an end, and the tasks of structural overhaul, activating investment processes, gearing basic measures toward a gradual emergence from crisis, and economic revival are coming to the fore.

The government program adopted in August 1993 defined perfectly clearly the ultimate goals of the government's actions involved in its implementation. They can be summed up briefly in one phrase—it is the creation of a socially oriented, efficient economy.

At the same time, the program contained tasks for the medium term, the attainment of which was forecast in three stages. The first stage ends in 1994. The fulfillment of its main tasks, linked with the establishment of control over inflation and financial stabilization, the completion of check privatization, and the formation of a market infrastructure, was discussed at the enlarged Russian Federation Government session 15 July 1994.

It was noted that the reforms had produced their first results, the rate of inflation had fallen, major changes had occurred in the structure of the GDP, signs of a stabilization of living standards had emerged, and a number of new institutions of the market economy had taken shape, such as the commodity exchanges, fund and currency markets; in the foreign economic sphere, a steady positive trade balance had come into being.

The Bitterest Stage Is Behind Us

Of course, today it is still impossible to say that the economy is wholly geared toward the individual, and the basic stage of structural overhaul still lies ahead, but positive elements are perfectly obvious in the sphere of the saturation of the consumer market across the whole of Russia's territory. Waiting lines and shortages have disappeared, the slump in the volumes of industrial production has slowed, the situation has begun to a greater extent to be reminiscent of a stagnation period, with sharply pronounced localized crises.

The second stage of the government program covers the end of 1994 and the year of 1995, and it provides for a stabilization period for the implementation of the start of an economic revival in 1996.

A detailed analysis of the development of socioeconomic processes in the period January to June 1994 showed that the main goals outlined by the government program will have been achieved earlier than planned—by mid 1994. This applies first of all to the sharp reduction in the rate of inflation (from 21 percent in January to 4 percent in August). It must be noted that the government's rigorous anti-inflation actions were boosted by a selective structural policy measures which made it possible to prevent mass unemployment.

The work carried out in the second half of 1993 and the first half of 1994 created the conditions for the transition to the new stage of the economic reforms whose main content is the activation of structural transformations in conjunction with a moderately tough money and credit policy. These tasks form the content of the government's action plan for the second half of 1994.

For the purpose of the acceleration of the structural transformations, the preparation of a package of federal programs and proposals on the specific allocation of federal budget resources in 1995 is being completed.

The stabilization of industrial production will help to support priority production units and types of output, convert inefficient enterprises and organize new production units, and create additional jobs.

The transformations in the industrial production sphere are connected to the activation of the investment process.

In the investment sphere the government's efforts are focused on creating the necessary conditions for the large-scale introduction of modern equipment and progressive technological processes as part of the organization of new production units and the modernization and retooling of existing enterprises. Here, however, it is essential to take account of the limiting effects of inflation and accordingly carry out an accelerated transition from centralized investment based on non-returnable budget funding, which prevailed in past years, to credit on a returnable, paid basis. Nonreturnable budget funding is being retained only for individual groups of social facilities.

The change in the investment climate must be conditioned by the enhanced role of enterprises' own resources in the financing of investment programs and projects, the development of a capital market, including a market in securities, and the improvement of the mechanism of its operation, the leasing sphere, the use of commercial structures' resources, as well as resources obtained as part of the privatization process for long-term investment, support for the creation of financial-industrial groups, the use of mortgage credits, and the expanded use of concessions for foreign investors.

Despite the creation of certain sources of private investments in our country, the Russian Government is inviting cooperation with foreign investors capable of bringing new technologies and modern methods of organization and production management.

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Mindful of the need to continue with the moderately tough money and credit policy, in the second half of 1994 the government envisages the preparation of decisions to improve the financial situation of production enterprises. This applies first and foremost to measures designed for the improvement of taxation policy which envisage cutting the rate of enterprises' profit tax and value-added tax and a number of other changes.

A government commission has been set up to resolve the nonpayments problem. The commission's decisions are aimed at improving the system of settlements, reinforcing payment discipline, introducing modern forms of settlements, and encouraging the involvement of commercial banks in the work of improving the financial state of insolvent enterprises.

Let Us Assess Things Objectively

The implementation of some of the measures adopted in accordance with the plan has made it possible to prevent a fall in the standard of living, bring the growth of the population's money incomes in line with the rate of growth of consumer prices, and reduce the differentiation in the population's incomes.

The results of the implementation of the measures envisaged by the government's programs are characterized by the following statistics.

An analysis of the country's socioeconomic development in January to August this year demonstrates the establishment of relatively stable trends in the increased effectiveness of the reforms that are being carried out: By the end of the period under analysis, there had been a substantial reduction in the inertia of the fall in the volumes of output production (work and services), inflation had stabilized at a low level, structural proportions are being optimized, and the economy is increasingly developing under the influence of market regulators.

Even though the slump remains deep, in comparison with January-August 1993 GDP had fallen 16.5 percent by September of the current year. In the summer months, however, there was a certain trend toward the growth of goods and services produced in the majority of sectors of the economy and intended for end consumption, accumulation, and net export. For example, in August this year the total volume of industrial production was 2 percent higher than the July level and retail trade turnover rose by 8 percent over the month.

The volumes and structure of production have increasingly begun to be determined by market factors of economic development where effective demand plays the most active part. The different sectors of the economy have different initial conditions for adapting to restructuring and this is affecting the dynamics of production volumes and the product mix. It is indicative that a tendency toward growth has been observed in the base sectors of industry: Electricity generation (in average daily output) rose by 3 percent in August this year, coal extraction was up by 8 percent compared with June, the level of gas and oil extraction had virtually stabilized, the production of finished rolled ferrous metals rose by 13 percent in August as compared with June, steel pipe production was up 3 percent, and so forth. At the same time, the machine building industry, the majority of light industry sectors, and the production of consumer durables are experiencing a structural crisis. The low level of competitiveness and demand limitations are the main reasons for the continued decline in production volumes in these sectors.

Despite problems with financing and material and technical supply in agriculture, the harvesting of grain and other agricultural crops is entering the final stage. By 12 September this year, 59 percent of grain crops had been threshed in Russia (64 percent had been threshed by this time in 1993). According to the estimates from farms of all categories, including private farms, approximately 62 million tonnes of grain had been threshed (in initially registered weight). Some 56.2 million tonnes had been supplied to agricultural enterprises, or an average of 19.1 quintals per hectare, as against 73.4 million tonnes and 21.4 quintals per hectare at this time last year.

Some 9.3 million hectares of winter crops for next year's harvest have been sown, which is 0.4 million more than at this time last year: 9.3 million hectares of fall plowing has been done as against 11.9 million in 1993.

During 1994 the supply of goods to the consumer market was marked by a steady upward tendency. It is indicative that the 4 percent increase in the total volume of retail trade turnover since the start of the year is accompanied by changes in its macrostructure. In the structure of retail trade turnover the proportion of foodstuffs amounted to 46 percent, nonfood goods—54 percent. The supply of goods to the retail trade rose by 7 percent since the start of the year and reached 91 percent. At the same time the supply of foodstuffs increased from 68 percent to 89 percent compared with August 1993 with figures of 81 percent and 93 percent respectively for nonfood goods in August 1994. For such staple products as vegetable oil and butter, eggs, sugar, and potatoes the trade system is almost fully supplied.

Under the influence of the processes of denationalization and privatization and the activation of enterprise, the structure of ownership is being intensively transformed. At the start of September, enterprises and organizations in the nonstate sector accounted for around 60 percent of GDP as against 52 percent in 1993 and 25 percent in 1992. Around 25 percent of GDP is now produced in the private sector of the economy.

The main trend in the development of the structural changes in the economy is the active establishment of a market infrastructure and the formation of sectors marked by stable growth in the provision of services—insurance, banking, brokerage, and so forth. In January to August 1994, services accounted for 50.2 percent of GDP whereas at the end of 1993 that figure was 42.2

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percent. The transformation of the services sphere into the dominant sector of the economy demonstrates the market orientation of the economy, the formation of the foundations of its self-regulation, and the improvement of structural proportions.

After the intensive explosion in the level of prices in January this year (by 21 percent) since February there has been a steady trend of gradual reduction in the rate of price growth from 10 percent to 4 percent in August. The growth of prices stabilized at a level of 5 to 4 percent a month from June to August. In August this year the current index of consumer prices for foodstuffs was 100.7 percent, nonfood goods—105.8 percent, and paid services to the population—112.1 percent. As a result of the implementation of the market mechanism, the check of price growth (by means of restricting the money supply in circulation), and their stabilization at a relatively low level the conditions were created for an increase in investment activity and the recovery of the credit and finance system.

The gradual growth of money incomes is continuing. In the first eight months of this year they rose 12 percent. Money incomes are growing against the background of the property stratification of the population. In January-August the wealthiest 10 percent of the population accounted for 26 percent of the money incomes whereas the least prosperous 10 percent accounted for just 2.3 percent.

The level of poverty remains unacceptably high. Some 10 percent of the population have incomes which do not enable them to buy a range of foodstuffs which cost R40,000 according to the subsistence minimum. Around 30 million people (20 percent) are living at the upper poverty limit.

Wages rose by 8 percent in August and averaged R238,000. The high level of differentiation of average pay according to sectors persists. The highest level is found in the sectors of the fuel industry where average pay is 4.7 times higher than the subsistence minimum, with a figure of 8.4 times in the gas industry. The lowest level of pay is in agriculture and light industry. In those sectors of the economy workers' wages are at the subsistence minimum level (1.1).

However, while there have been positive changes in the economy some problems have become worse.

The trend toward the decline in the total number of the population has continued this year because of the low birth rate and the high death rate. The increase attributable to migration remains positive although it will not compensate for the population's negative natural growth.

The number of unemployed (taking into account the numbers of persons in full-time employment) [as published—chislo bezrabotnykh (c uchetom lits polnostyu zanyatykh)] was 9.2 million in August this year or 12 percent of the economically active population.

Payments discipline is deteriorating and nonpayments are being transformed into a source of profit and are undermining the effectiveness of the reforms. By the start of August the total amount of credit debt [kreditorskaya zadolzhennost] at enterprises in industry, transport, agriculture, and construction amounted to R118.7 trillion, including R51.9 trillion deferred debt. Of the total volume of credit debt 22 percent represented payments to the budget, 7 percent was wages, and 64 percent debts to suppliers. Despite the large volumes of indebtedness enterprises have around $6 billion in their foreign currency accounts which they prefer not to use in the system of mutual settlements. Credit debts owed by enterprises represent 64 percent of their circulating capital.

Outstanding debts [debitorskaya zadolzhennost] amounted to 106.8 trillion including R49.3 trillion in deferred debt (41.6 percent).

The late payment of the state's debt for last year's grain harvest aggravated the sector's financial situation and largely undermined peasants' confidence in the state, which led to a sharp reduction in the pace of purchases of grain for federal and regional stocks.

By 12 September grain reception centers had received just 9.7 million tonnes of grain which is 17 percent of the harvest. The federal and regional stocks had bought in only 4.3 million tonnes of grain and had taken in only 5.4 million tonnes of grain from farms for contingency [otvetstvennyy] storage. Meanwhile, by the start of September there were over 31 million tonnes at agricultural enterprises, according to farms' statistics.

By 12 September 1994 the volume of grain purchases was just 24 percent of the volume of purchases by that date last year. Unless the question of the prompt financing of grain purchases is resolved there is a real threat that this vitally necessary state campaign will be disrupted.

The decline in investment activity continues. For instance, according to the preliminary assessment, in the first eight months of this year enterprises and organizations in all forms of ownership on the territory of the Russian Federation had assimilated R53 trillion of capital investments from all sources of finance or just 74 percent compared with the corresponding period last year.

In 1994 innovation continued to decline in the industrial sector of the economy. According to the findings of a survey conducted by the Russian Government's Center for the Economic Situation 60 percent of the enterprises which took part in the the survey not only had not done any work to create new types of output and scientific and technical services but also did not envisage doing so in the near future. The continuing decline in the scientific and technical level of production is having an adverse

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impact on output quality and its competitiveness and is manifesting itself in increased supplies of foreign output.

The Problems Have Been Clearly Outlined

Based on the results of 1993-1994 achieved during the implementation of the economic program adopted in August 1993, the Russian Government adopted the decision to elaborate a new program document. At the present time it is difficult to give a detailed breakdown of what the actual chapters and sections of the document in preparation will contain. However, the program's main aims can be given right now: The stabilization of industrial production and the creation of the conditions for subsequent economic growth, the activation of investment policy and the acceleration of restructuring, the preservation of the scientific and technical potential, the continuation of institutional transformations, the strengthening of payment discipline, tight control over inflation, an active social policy, including help for the most vulnerable sections of the population, employment measures, support for enterprise, and a flexible incomes policy for the population.

Seven Million Jobless Predicted by Year's End

LD2209181594 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 22 Sep 94

[Video report by Yekaterina Sedova; from the "Novosti" newscast]

[Text] The Center for Economic Studies under the Russian Federation Government paints a sorry picture: Russia is drawing near to countries with an average level of unemployment. According to the center's predictions, by the end of the current year 7 million people could be left without a job. The drop in the number of employed is of course the result of a slump in production that has recently proved impossible to halt. While in the services sphere an increase in new jobs is being observed, most enterprises engaged in specific material production are on the verge of a standstill.

For the time being it cannot yet be said that Russia is turning into a gigantic exchange that buys and sells, but produces nothing; however, there is a trend in this direction.

A new dangerous symptom—chronic unemployment—has appeared. It has increased from three months at the beginning of last year to half a year at the present time. In many respects this is also connected with the problem of non-payments and rising inflation, as a result of which, workers in a number of enterprises are forced to look elsewhere for funds to feed their families.

Not everyone needing a job finds one. According to calculations of the Institute for Economic Studies, the total size of forced unemployment has reached some 5 million people. One cannot put one's trust in other reform miracles and for this reason, depending on how the situation develops, 10 percent of the country's economically active population should join the labor market by the end of the year.

Ruble's 22 Sep 'Nosedive' Against Dollar Analyzed

LD2209161594 Moscow INTERFAX in English 1339 GMT 22 Sep 94

[Text] The ruble's 125-point nosedive against the U.S. dollar on the Moscow Interbank Currency Exchange today may have been caused by commercial bank speculation.

Analysts from the Financial Information Agency said that demand topped supply in trading today by a record $145.95 million. Bidders withdrew $72.3 million in purchase bids, speculating on an increase in the dollar.

The ruble's plunge came as a surprise for bank dealers trading on the MICEX.

Financial Information Agency analysts said that unsatisfied demand of nearly 500 billion rubles in the placement of three month treasury bills on September 20 was the source of the ruble flood which inundated the currency market.

Fall Caused by Speculative Trading

MK2309091094 Moscow SEGODNYA in Russian 23 Sep 94 p 1

[Report by Andrey Grigoryev under the "Currency" rubric: "Moscow Interbank Currency Exchange Has Become the Scene of Large-Scale Speculative Trading. Central Bank Washed its Hands and Saved Currency Reserves"]

[Text] The turbulent goings-on at the Moscow Interbank Currency Exchange [MICE]—the dollar's exchange rate soared by as much as 125 rubles [R]—can at first sight be interpreted as a logical consequence of pumping credits into the economy. Even the most superficial analysis of the results of the trading session, however, gives full justification for assessing yesterday's steep fall in the ruble's exchange rate as downright speculative trading by a number of large banks. The gap between the initial offer and the final volume of trading was $173.65 million, whereas the net volume was $53.35 million. Thus, a total of $120 million was pumped through the exchange in what can effectively be qualified as fictitious transactions.

The results of transactions in the rest of the market are also notable. At the currency chapter of the Interbank Financial House, even after the MICE trading session was over, transactions were concluded at the exchange rate of R2,358-2,360. Moreover, dollars due to be delivered the next day cost R2,380-2,385, which shows a lack of any serious grounds for a steep fall in the exchange rate.

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In this light, the Central Bank's stance appears fairly reasonable. Forgoing any active intervention in the MICE trading session, the Central Bank first of all saved a considerable amount of dollars from its hard-currency reserves. Had the Central Bank bridged the gap between amounts demanded and offered, speculators would have bought the relatively cheap currency. (Admittedly, some acceleration in the growth of the dollar's exchange rate is an objective factor and, moreover, it provided one of the incentives to speculative traders.) At the same time, the dollar retained a potential for growth, and the situation could repeat itself the next day. By giving banks the opportunity to play on exchange rate differences at their own expense, the Central Bank has stemmed the speculative tide—banks withdrew their bids worth $72.3 million.

One cannot but admit, however, the unpleasant fact that the Russian currency market, despite the consistent lowering of the inflation rate during the past six months, remains extremely unstable, and that the mechanism of its functioning is capable of inducing the most unexpected surprises.

New Government Council Made Up of Business Elite

MK2309093094 Moscow KOMMERSANT-DAILY in Russian 23 Sep 94 p 2

[Report by Vladislav Borodulin: "Members of Council for Industrial Policy and Entrepreneurship Appointed. Government Gathers Business Elite Around It"]

[Text] The prime minister has approved by his decree the lineup of the recently created Council for Industrial Policy and Entrepreneurship at the Russian Government. Yesterday, the document was released for official distribution. Judging from their statements, council members intend to avoid their predecessors' mistakes, and turn this organization into an efficiently functioning representation of the national business elite, loyal to the authorities, in Viktor Chernomyrdin's cabinet.

At the end of this past August, two government organizations—the Council for Industrial Policy and the Council for Entrepreneurship—were merged. At the same time, First Deputy Prime Minister Oleg Soskovets' staff started selecting a lineup for the new council, which was headed by Soskovets himself. During the past month only one change has occurred—Aleksandr Samsonov, general director of the Exporters Association, was promoted from a simple deputy coordinator to first deputy.

In all, the council comprises 167 people, who make up the elite of Russian business. So numerous a lineup, however, may well cause the council's demise. Initially it was planned to put up with a much lower number (around 40 people), which would have made for the council's effective operation (it has virtually no staff of its own). In addition, since the council includes extra-heavyweights, such as Nikolay Bekh or Vladimir Kadannikov, and in the absence of similar organizations that have influence on the government, there is a threat that it could share the fate of its predecessors: Business leaders would not take any part in day-to-day work, and without them no one in the government would take the council seriously. The current council leadership is very optimistic, however, as it believes that by dividing it into sections "according to interests" it will manage to achieve efficient coordination between representatives of the industry, banks, and the government.

So far, however, the publication of the list of members of the new Council for Industrial Policy and Entrepreneurship has acquired a sort of political tinge. Yesterday in Cheboksary, the Commodity Producers Federation concluded its congress, which the government dubbed as "the congress of malcontent directors who cannot work hard." The first meeting of the council was initially scheduled for the same days, but subsequently this idea was abandoned. (Apparently, the congress will meet for the first time next week). In any case, the government has found a fairly successful way to demonstrate its moral superiority over Yuriy Skokov's federation: Leaders from all sectors of the domestic business voluntarily joined the government body. Naturally, it is these council members, not their colleagues who met in Cheboksary, who will receive dividends from cooperation with the authorities.

Yeltsin Edict Orders Statute on Leasing

MM2209144194 Moscow ROSSIYSKAYA GAZETA in Russian 21 Sep 94 First Edition p 4

[Russian Federation Presidential Edict No. 1929, signed by President Yeltsin: "On the Development of Financial Leasing in Investment Activity"]

[Text] With a view to supporting and developing small and medium-sized enterprise, further developing private business, and enhancing the efficiency of entrepreneurial activity in the production sphere, and given the world experience of the extensive use of leasing, I decree that:

1. The Russian Federation Government shall elaborate and within one month ratify an Interim Statute on Leasing, envisaging:

—the definition of leasing as a type of entrepreneurial activity aimed at the investment of temporarily available or solicited financial funds in property transferred under an agreement to corporate bodies for a certain period;

—the definition of objects covered by leasing, bearing in mind that any movable and real estate regarded as basic assets, as well as property rights, can be subject to a leasing agreement.

2. It shall be laid down that leasing enterprises shall be set up in the form of mainly open-type joint-stock companies.

3. The Russian Federation Government shall:

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—draw up proposals within one month on the development of leasing in the conversion and retooling of enterprises in order to enhance the effectiveness of the conversion of the defense sectors of industry. It shall support the initiative of the Russian Federation Ministry of Atomic Energy to set up a coordinating center to develop leasing in the defense sectors of industry;

—provide assistance in setting up experimental joint-stock leasing companies in the Russian Federation's Central Region, as well as joint-stock leasing companies specializing in operations with road-building machinery and equipment, involving commercial structures' capital to this end, with a view to strengthening market relations in agriculture and developing private farms;

—draw up proposals in the fourth quarter of 1994 on the Russian Federation's accession to the 1988 Ottawa Convention on International Financial Leasing, and on exchanging experience in the sphere of leasing activity with the European Association of Leasing Companies (LEASEUROPE);

—examine the question of state support in 1995 for newly created leasing companies;

—draw up proposals on the possible granting of customs concessions during the temporary importation of goods used in leasing operations;

—draw up proposals on the holding in the first quarter of 1995 of an international conference on the development of leasing in the Russian Federation.

4. This edict comes into force from the moment it is signed.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin
17 September 1994
No. 1929

Wage Freeze Bid Attributed To 'Premier's Entourage'

MM2209131094 Moscow IZVESTIYA in Russian 21 Sep 94 p 1

[Report by Vasiliy Kononenko: "Presidential Team Blocks Hasty Edict"]

[Text] As your IZVESTIYA correspondent was able to clarify with the presidential structures, an edict proposing to freeze wages at enterprises under all forms of ownership really was signed by Boris Yeltsin during his meeting with Viktor Chernomyrdin in Sochi. But we do appear to have managed to avoid on this occasion an uproar right across Russia as a result of games played by the apparatchiks and also embarrassment in connection with the president's upcoming trip abroad.

When the edicts arrived in the Kremlin for registration and promulgation the alarm bell was immediately rung in the president's team. A. Livshits, leader of the president's group of experts, flatly opposed such antimarket measures. The point is that this edict did not figure in the package of economic documents which had been worked through and undergone expert evaluation in the usual way. It was most likely inspired by the premier's entourage.

The president's team quickly set to work. As of now, your correspondent was assured, the promulgation of the edict on freezing wages has been suspended. The president has been informed of the reasons for this decision, and the edict will, in all probability, not become "public property."

Nevertheless, comment is not superfluous here. Not so long ago IZVESTIYA reported that an edict to merge the Russian Committee for the Press and the Federal Service for Television and Radio was being prepared in the corridors of government and that a proposed "short" version of it would be published without the necessary agreements. A similar episode, as we can see, is being repeated, that is to say, huggermuggery when deciding issues that affect the interests of all Russians is being repeated. And yet such practice runs counter not only to the established norms but also to the Treaty on Social Accord, of which the executive branch of power was the initiator. We know that next in line is an initiative by the president and the government on drawing up measures for the execution of decisions made by all branches of power. Personal example, you will agree, is the prime condition for this. If, however, the authorities themselves set an example of legal nihilism, it would indeed be criminal to accuse the people of the same crime.

Livshits Assails Plan for Wage Freeze

MM2209124194 Moscow IZVESTIYA in Russian 21 Sep 94 p 1

[Report by ITAR-TASS Observer Tamara Zamyatina specially for IZVESTIYA: "Government Will Freeze Reforms by Freezing People's Incomes"]

[Text] During their Sunday television interviews from Sochi neither Boris Yeltsin nor Viktor Chernomyrdin mentioned their decision to introduce a freeze on the consumption funds of enterprises and organizations—a freeze on people's monetary income—among the presidential economic edicts that have been signed and prepared for signing.

The alarm was sounded by one of the few initiates—Aleksandr Livshits, leader of the Russian president's group of experts—who told your ITAR-TASS correspondent that insistent attempts to get this decision through are nearing their objective. Thus the relevant presidential edict may see the light any day now.

The preparations for a freeze on wages were no great secret. This draft decision was on Boris Yeltsin's desk among the pile of the very first package of economic edicts made public 23 May. Then the head of state signed

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six documents and decided "not to sully" the good impression of his reformist move with the seventh.

The nonpayments crisis, which increasingly dominates the country and has become the opposition's trump card, has given some members of the government a chance to "force through" the unpopular measure since they enjoy access to the Sochi dacha where Boris Yeltsin is on vacation.

The leader of the president's group of experts resolved a difficult task before leaving for the United States to prepare for the upcoming talks between Boris Yeltsin and Bill Clinton—should he resign himself to defeat or issue a warning? He chose the latter.

Commenting on the decision under preparation, A. Livshits pointed out that it "will not only affect state enterprises or those where the state holds the controlling interest, which would be valid in law, but will extend to the nonstate sector of the economy, although there are legal norms protecting economic freedom and the private sector's right to decide its life for itself."

Thus a sequence of methodical state encroachments on economic freedom can already be seen: The furor over the "MMM" Joint-Stock Company, the Vaynberg affair, and the restriction on enterprises' incomes.

"In effect this means the introduction of administrative regulation of incomes, which does not gel with the tasks of market reform and is hardly appropriate amid free prices," Aleksandr Livshits believes.

According to his information, the ceiling on wages at enterprises with debts will be equivalent to 15 minimum wages, i.e. 300,000 rubles. At the same time, in his view, this measure will not help resolve the problem of nonpayments since people's real incomes will transfer from the legal to the shadow economy, "money will after all be paid by hook or by crook." "Is the shadow economy that we have got not enough without increasing it by our own efforts?" the expert exclaimed.

But that argument evidently pales beside the desire on the part of the people organizing the "freeze" to get hold of a colossal controlling mechanism that will increase the clout and influence of the not overly bright members of the government.

The following was one of the other dubious features of the impending decision that Aleksandr Livshits mentioned: The rise in incomes should be 0.7 percent per 1 percent rise in prices. "But price hikes in various parts of Russia are not identical, i.e. some regions will stand to gain from this 'sum,' while others will lose out," he reckons.

Nor must one discount the ethical aspect of the problem, the expert believes. If people who have not been paid for months are told of the limit on wage increases that is being established, the authorities will not look too good, to put it mildly.

The talk of the need to reduce people's social stratification by restricting incomes is, in Livshits' opinion, pandering to postsocialist sentiments. Moreover, plans for administrative regulation of prices and incomes were tried out 30 years ago in world practice but produced no positive results. "Nevertheless, after three years of reform we are trying to act in accordance with Pushkin's idea that 'what is necessary for London is too soon for Moscow,'" my interlocutor stated sadly.

In his view, the impending amendments to tax legislation would have a better and more civilized effect on reducing the level of social inequality since in many countries this is regulated by progressive taxes.

The political consequences of this measure may also be lamentable. "How should entrepreneurs perceive a freeze on incomes in a country whose leadership is calling for economic freedom? After all, this constitutes direct state intervention in business. This is not even a matter of issuing licenses and failing to establish the rules of play, this is direct control over how much an entrepreneur pays and to whom," the expert stressed.

He also regards as untenable the argument that the unpopular measure will not effect enterprises without debts: "Virtually everyone has debts."

Leaving for the United States in his capacity as the Russian president's expert on economic policy, Doctor of Economic Sciences A. Livshits voiced the fear that "state control over incomes will cause great perplexity among our U.S. partners, to whom it will be hard to explain the need for this measure in a country which is implementing market reforms."

The leader of the president's group of experts noted with alarm that this measure "will seriously affect the prestige of the Russian authorities while respect for them, their wisdom, and their ability to find ways of regulating incomes that do not encroach on economic freedom and are in keeping with real life will be called into question."

Military & Nuclear Issues

Moscow Power Cut Endangers Nuclear Weapons Control

LD2209163394 Moscow INTERFAX in English 1339 GMT 22 Sep 94

[Text] The latest incident in which electricity was cut off to the Central Command Post (CCP) of Russian Nuclear Forces outside Moscow may have complicated the control of nuclear weapons, a spokesman for the forces Vladimir Krivomazov said on Thursday.

In an interview with Interfax, he praised the skills of the CCP staff which switched to a standby power facility quickly. The installation is now back to a routine operational mode, Krivomazov said.

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He denied the Energonadzor electric company's statement saying its specialists were unaware of what sort of a facility would be affected when cutting off the power supply. Krivomazov argued that the company had warned the CCP about planning to cut off electricity.

Meanwhile, the CCP itself in a statement on Thursday denied that the combat readiness of nuclear forces was affected following an order from company manager Pavel Sinyukov to cut off power supply to the facility.

"The forces' combat readiness remains as high as ever," says the statement.

The CCP has warned the management of the Mosenergo electricity company against any recurrence of such incidents in the future.

Premier Angered By Power Cut

LD2209174994 Moscow INTERFAX in English 1614 GMT 22 Sep 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Russian Prime Minister Viktor Chernomyrdin has described as outrageous the recent incident of a power cut to the command post of Russian nuclear weapons at the town of Odintsovo outside Moscow.

Speaking before a meeting with President Boris Yeltsin on Thursday, he promised to punish the culprit.

Chernomyrdin said the official ordering the power cut "wanted to be holier than the Pope", implying the former's drive for financial gains.

His view was echoed by Speakers of the Federation Council and State Duma Vladimir Shumeyko and Ivan Rybkin. Shumeyko made it clear that such irresponsible actions may lead up to dire implications one day.

The Central Command Post (CCP) of Nuclear Forces outside Moscow was still in control of nuclear weapons by switching on to a standby power facility, a CCP spokesman told Interfax.

IF Note: On Wednesday, the Energonadzor electricity company cut off power supply to the CCP because of its Rbl 2.5 billion debt to the company.

Apart from centralized electricity supply, the installation has two of its own standby power generation facilities, a senior CCP official told Interfax on condition of anonymity.

He said the triple system of power supply was disrupted for only four hours regretting that electricity suppliers had failed to give an advance warning. "There was too little time to respond to the company's actions accordingly", he said.

The official said that everything must be done to rule out such incidents in future. He complained about the government's gross underfunding of the armed forces saying that the last time CCP officers drew their salary was in August.

Shafranik To Investigate Shutdown

LD2209171494 Moscow INTERFAX in English 1339 GMT 22 Sep 94

[Text] Russian Fuel and Energy Minister Yuriy Shafranik will report on the reasons for the power shut down at the Central Command Post of the Russian missile center in Odyntsovo (the Moscow Region) on September 21 at the next meeting of the government. Russian First Vice Premier Oleg Soskovets instructed Shafranik to do this today.

Shafranik was instructed to carry out a serious investigation of the incident.

Shafranik said at the meeting of the government today that the investigation had begun.

Power Outage Caused 'No Direct Threat'

MK2309090094 Moscow SEGODNYA in Russian 23 Sep 94 p 1

[Report by Pavel Felgengauer in the "Outage" column: "With No Light, But in a Bunker, and With Missiles. Power Suppliers Helped Missile Workers Hold a Survival Exercise"]

[Text] When at 1430 [1230 GMT] on 20 September Energonadzor [power distribution authority] shut off power to the Central Command Post [CCP] of the Strategic Rocket Forces [SRF], of course, there was no direct threat to national security. The underground CCP was prepared to operate under conditions of a global nuclear war, and it has an autonomous power supply system.

Furthermore, the SRF CCP in the town of Perkhushkovo is far from the only command post to control Russia's strategic nuclear forces. Single control of the strategic triad (missile carrying submarines, bombers, and ground-based missiles) is exercised by the CCP of the General Staff in Moscow. There are also other standby command posts which can substitute for both the General Staff's CCP and the SRF CCP should they be put out of action. Yet there have been instances when multiple-duplication systems—they would seem absolutely reliable—have failed, like for example, the reactor at the Chernobyl nuclear power station or the reactor at the Three Mile Island nuclear power station in the United States. In all these catastrophes human stupidity surpassed the calculations of security system designers.

Energonadzor representatives say they switched on power at the SRF CCP one and a half hours after the cutoff, at 1544 [1144 GMT]. The missile workers themselves maintain that they did so only at 1730 [1330

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GMT]. Energonadzor asserts it "did not know" who disconnected the switch. True, power supply was shut off only at the underground SRF CCP while in the nearby SRF Main Headquarters and the entire SRF cantonment to the west of Odintsovo there were no problems with electricity. Therefore Commander in Chief Igor Sergeyev could control the rocket forces through the usual channels. Officers at the SRF Main Headquarters suppose that because part of the electricity bills for the cantonment are paid by the residents, the debt to energy suppliers is less, and therefore the headquarters was not switched off.

CCP bills are to be paid fully from the defense budget. The debt, according to energy suppliers, stands at 1.5 billion rubles but the military maintains it has no money. The SRF CCP underground bunker, just like many other military installations, is equipped with Soviet tube-based electronics and therefore consumes a lot of energy. The army's aggregate debt to power suppliers in Moscow Oblast alone is 60 billion rubles.

Premier Chernomyrdin has promised to punish the person guilty of this outrage. The incident at the SRF CCP could become cause for allocating additional funds to the army.

Doubt Cast on Authorities' 'Effectiveness'

MM2209193194 Moscow KRASNAYA ZVEZDA in Russian 23 Sep 94 p 1

[Report by Oleg Falichev and Aleksandr Dolinin: "Emergency on All-Russian Scale. Today 'Mosenergo' Officials Cut Off the Country's Strategic Forces, What Will Happen Tomorrow?"]

[Text] The military are having to get used to delays in the receipt of pay, cuts in benefits laid down by law, lack of housing.... But for the power supply to the Strategic Missile Forces Command Center suddenly to be cut off—that has never happened before in the history of our state and its Armed Forces.

The Strategic Missile Forces Command Center's power supply was cut off at 1423 [1023 GMT] on 21 September at the behest of "Mosenergo" General Director Pavel Sinyukov. It was an emergency. There was no power for four hours, and if the independent supply had not cut in, it could have resulted in loss of command and control over Russia's nuclear missiles...

There are many examples of blackmail of the military by the local authorities. But this disgraceful phenomenon has gone so far in our society that blackmail and arbitrariness are now being perpetrated against the Army as a whole. On 14 January KRASNAYA ZVEZDA wrote about the power blackmail of the Strategic Missile Forces by the leaders of a number of oblast power supply systems, who had cut off combat missile systems because of irregular payments. Eight months have elapsed since our first warning. Have the local authorities, in particular in Saratov Oblast, heeded the voice of reason? No. Moreover, Arkadiy Khaykin, "Saratovenergo" director of power supply systems, issued a brazen warning to the Strategic Missile Forces high command in July: "I am forced to raise the question of canceling the contract for the use of the power supply system and cutting off the power supply...."

The "Chitaenergo" joint-stock company also regarded itself as all-powerful. Despite an appeal by the forces leadership to Chita Oblast Administration Chief B. Ivanov, it refused to regard a specific list of Strategic Missile Forces facilities as exempt from power cuts or supply restrictions. Irkutsk power supply systems have also kept the missile forces on starvation rations for two months now.

Now the wave has reached the Strategic Missile Forces Central Command Center. Alas, even on 22 September, after the "salvo" of reports of the incident in TV news progams, power was coming in on only one circuit [vvod].

The reason for the power blackmail is clear. The missile forces currently owe the power supply systems, including the Moscow region system, more than 18 billion rubles [R]. But are they to blame for this? During the period from May to September the financial people barely scraped enough money together to pay the servicemen. There was no money for anything else. But why should servicemen, amid the general lack of money, have to literally fight for survival and maintain combat readiness at the expense of their nerves?

To be fair, let us say that the government has tried to protect the military. As if expecting arbitrary behavior locally, it ruled two years ago, via decrees Nos 558 and 559, that Strategic Missile Forces facilities must unconditionally be protected from any willful behavior. But "Mosenergo" evidently did not regard these directives as orders, and the provinces were even less inclined to do so. The same applied to decree No. 307 in 1994. As we now know, money rules, as in capitalism gone mad. But those who are encroaching on the forces' combat readiness ought to know that the missile forces' own efforts and reserve power supply (in case of war, we would stress) will not save the situation if it becomes chronic. Diesel generators do not last forever. And you need money to keep them going too. So, without exaggeration, the blackmail of the Strategic Missile Forces could end in disaster for everyone.

Furthermore, after all that has happened, one remembers the hero of a story by Chekhov, who unscrewed the nuts from the railroad track...for a fishing rod. He never thought that it might cause a train crash. But the "Mosenergo" chief is presumably not an uneducated man. He must appreciate what might happen if the Strategic Missile Forces Central Command Center is cut off.

You may not agree, but we think this incident casts doubt on the effectiveness of the authorities in the

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country in general, when any official can simply flout state priorities, including the country's security. Tomorrow the water supply to the Kremlin could be cut off and the drains could be disconnected.... Everyone would find a justification. So are we on the brink of chaos? It is not too late to devise a system of tough penalties and fines and even criminal liability for officials who exceed their authority and undermine national security.

Power Cut to Severodvinsk Submarine Yards

LD2209194494 Moscow ITAR-TASS World Service in Russian 1718 GMT 22 Sep 94

[By ITAR-TASS correspondent Vladimir Anufriyev]

[Text] Arkhangelsk, 22 Sep—For the first time in the 60-year history of Severodvinsk, all enterprises in the town, including nuclear submarine construction yards, have been forced to shut down. Severodvinsk naval shipyards owe about 70 billion [bn] rubles [R] to the Arkhenergo company, which has switched off its Heat and Power Station No 2 because there is no fuel for it, according to a press statement by the head of the Arkhangelsk Region administration, Pavel Balakshin.

There is no money to buy fuel because the defense sector has not paid its bills. Balakshin pointed out, however, that the Severodvinsk yards have conscientiously honored their state contracts, but have themselves been paid just R29 bn of the R300 bn due to them.

Insufficient Funding Threatens National Security

LD2209143694 Moscow ITAR-TASS in English 1421 GMT 22 Sep 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow September 22 TASS—Insufficient financing of the armed forces and other military structures of Russia (less than 40 percent of the amount stipulated by the law "on the state budget") restrains military reform and leads to a drop in defence production threatening to undermine the key industries ensuring national security, a meeting of the Inter-Departmental Commission on Defence and Security of the Russian national Security Council was told on Wednesday.

Sources in the Security Council told ITAR-TASS today that the Commission had discussed coordination of activity of the state departments which place orders for products of the military industrial complex and problems of financing the armed forces.

The meeting was chaired by First Deputy Defence Minister Andrey Kokoshin and attended by leaders of the Defence, Interior and Finance Ministries, the State Committee on the Defence Industry, the Federal Border Service, the Federal Counterintelligence Service and other departments.

The Commission drafted proposals for improving the funding of the armed forces and other military structures of Russia in 1994 and for the defence budget for the next year, and for a better spending of the available resources.

Aide Calls for Increased Military Funds

LD2309090494 Moscow ITAR-TASS in English 0814 GMT 23 Sep 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow September 23 TASS—"The incident which occurred on September 22, when electricity supplies were cut off from the Central Command Unit of the headquarters of the Russian missile troops because of an outstanding debt to the "Mosenergo" enterprise, confirmed that it is necessary to increase allocations for the upkeep of military facilities," said presidential aide for issues of national security, Yuriy Baturin, in an interview with ITAR-TASS. Baturin pointed out that "financial problems cannot be placed above law and national security."

Baturin reminded of the fact that in accordance with the resolution passed by the Russian Government on April 8,1994, this command unit was included in a list of defence facilities not subject to electricity cut-off. Baturin dismissed arguments, offered by "Mosenergo" experts alleging that they were not aware of the purpose of this military facility, as "naive". "This is not a factory for the production of window frames to disclose its full name," he said.

In this connection, Baturin drew attention to the fact that adopting a resolution, the government should strictly control whether this resolution was fulfilled.

However, Baturin did not attempt to excuse the military either. According to information at his disposal, the Command of the Central Unit of the headquarters of Russian missile troops had been notified by the "Mosenergo" at least five times about its outstanding debt for electricity supply, after which energy transmission lines were cut off in turn. However, the military had merely warned "Mosenergo" officials that such measures were inadmissible until energy supply to the Command Unit was cut off completely.

"The military should not have merely rebuffed the energy department, but should have foreseen the consequences and resolve the problem in principle," Baturin said.

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"We are not ensured against such critical situations happening in future unless the order of financing military facilities is revised, and unless power structures tighten control over the implementation of their own decisions." Baturin said.

Foreign Ministry on Nuclear Weapons Reduction

LD2209164794 Moscow INTERFAX in English 1510 GMT 22 Sep 94

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshenv, Yevgeniy Terekhov, and others]

[Text] The Russian Foreign Ministry's Spokesman Grigoriy Karasin refuted the recent statement of U.S. Defense Secretary William Perry saying that Russia was dangerously behind the U.S. in the reduction of nuclear arsenals. Karasin said at a briefing in Moscow today that Russia had dismantled more than a thousand nuclear warheads withdrawn from Ukraine and even more Russian warheads over the last year.

Commenting on the statement by Perry, Karasin told an Interfax correspondent that the U.S. had dismantled about 2000 warheads. He stressed that Russia was not behind the U.S. at all.

FCS Denies Nuclear Materials Market Abroad

LD2209183894 Moscow ITAR-TASS World Service in Russian 1709 GMT 22 Sep 94

[By ITAR-TASS correspndent Yuriy Shcherban]

[Text] Moscow, 22 Sep—The deliberate exaggeration of the danger of the stream of nuclear contraband supposedly coming out of Russia is one of the links in a wide-ranging action directed first and foremost against Russia. An ITAR-TASS correspondent was told this today by the head of the Directorate for Contraband and Nuclear Installations Security of the Federal Counterintelligence Service [FCS] of the Russian Federation during a briefing devoted to the results of the visit by FCS Director Sergey Stepashin to the FRG.

He further reported that the FCS is now investigating the cases presented to Russian intelligence by the German party. The list contains 150 instances. In connection with this, Mikhail Dedyukhin said that information about certain Russian citizens involved in nuclear materials smuggling "has now been confirmed," but he added that "many of the cases listed by the German party have no relation to smuggling."

Those participating in the briefing assured journalists today that "there is no foreign market for nuclear materials" let alone Russian materials, the origin of which cannot be established in a laboratory.

Regional Affairs

Ingush Refugees Set To Return 'at Own Risk'

MM2209131194 Moscow KRASNAYA ZVEZDA in Russian 22 Sep 94 p 3

[Report by Petr Karapetyan under "Facts and Commentaries Postscriptum" rubric: "Peace Procession of Ingush Refugees Scheduled for 23 September. They Have Decided To Act at Their Own Risk"]

[Text] The Interim Administration press center in the state of emergency zone has informed KRASNAYA ZVEZDA that from 1 September a curfew is being introduced in the settlements of Chermen and Kartsa in Prigorodnyy Rayon, North Ossetia. This is an enforced measure prompted by the refugees' decision to return to their former places of residence in North Ossetia. There is a serious danger of provocations by extremists in Chermen and Kartsa. A statement by the North Ossetian Supreme Council press center says that 5,000 Ingush refugees are expected to participate in the "peace procession."

A critical situation, it cannot be denied. People's desire to return to their own homes generally, and before the onset of cold weather in particular, is understandable. But it is also understandable that their route home will not be strewn with roses. At any rate, all previous such attempts have been stopped by gun-toting Ossetians. There are no grounds to suppose that things will be any different this time.

How can we fail to recall here that the June agreement on the refugees' return, signed by Ruslan Aushev and Akhsarbek Galazov, directed that a schedule for people to return be drawn up before 5 July. Homeowners were returning without any preconditions, and the volume of restoration work and the starting date for housing repairs was being determined. But when it became a matter of schedules the Ingush and Ossetian leaders, alas, had differing views. So they got the "peace procession."

The Ingush Government states that it serves no purpose and that, quote, the refugees are returning at their own risk.

The Ossetian parliament has protested the refugees' action and is preparing to extend the period of the state of emergency, which expires 30 December.

The "Abkhazian crisis," which was defused some days ago with such difficulty, graphically demonstrated what the mass return of refugees may lead to. But the Ingush refugees, who have lost confidence in the politicians, are apparently prepared to fight for their homes.

Refugees 'Tired of Waiting', Plan March

LD2209155394 Moscow Ostankino Television First Channel Network in Russian 1200 GMT 22 Sep 94

[Report over video from Ingushetia by correspondent Vladimir Perfilyev; from the "Vesti" newscast]

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[Text] The mood of residents in the southern cities can probably be assessed best of all at the market. We took these pictures in Nazran. But the apparently serene view of life is deceptive, for among these stallholders and shoppers are many Ingush refugees from the neighboring Prigorodnyy rayon of North Ossetia; people who are tired of waiting, who have spent two years away from home. A mass transfer of Ingush to their homes, already called a peace march, is planned for tomorrow and the three following days. It is this that is causing serious concern in the interim administration in the state of emergency zone.

[Makushin] Last Friday we received a letter signed by Uzhakhov, the deputy chairman of the Government of the Republic of Ingushetia, which informed us that from 23-26 September the Ingush side planned a mass movement of refugees to four inhabited areas. We think that if the Ingushetia leadership does not take measures to prevent such action, this could have very serious consequences.

[Perfilyev] For two years the fragile peace in the conflict zone has been maintained by force of arms. The wounds in people's souls have not been healed, the dead have not been mourned, the walls of houses have not been rebuilt. It is all the more important to show prudence at this time.

And one more report from the region, from Chechnya's Urus-Martanovskiy rayon. Here on the territory of the opposition to Dudayev's government, only 18 km from Groznyy, where the rebel movement's first battalion is stationed, we photographed missile launchers yesterday, the very ones that the president-cum-general [Dudayev] threatened to use against Russia. The opposition deprived the general of these menacing weapons.

[Unidentified speaker] There has been no statement of any kind about attacks, about preparation of any military actions, which President Dudayev is carrying out. They are not only preventing Chechens from living outside the republic, but they are keeping neighboring republics in a tense state. I do not think there are any other missiles, and even if there are any, then there is no point in using them against other republics and they will not be used.

Filatov Says Ingush Refugees Not To Hold March

LD2209183494 Moscow INTERFAX in English 1641 GMT 22 Sep 94

[Text] The Russian leadership is taking active measures to prevent Ingush refugees from setting off on a mass march to the Prigorodnyy District of North Ossetia scheduled for this Friday, Russian Chief of Staff Sergey Filatov told journalists Thursday. In particular, he mentioned a telephone conversation during which Russian President Boris Yeltsin tried to convince his Ingush counterpart, Ruslan Aushev, to talk his compatriots out of this step.

"Most probably, the action will not be held," Filatov supposed. He pointed out that the Russian leadership was not satisfied over the disruption of the Ingush repatriation schedule. "We hoped to solve the issue by the winter. However, we still have to prolong state of emergency, very ineffective, by the way," he added.

"The two presidents, Aushev and Galazov, have to show restraint and wisdom, because it is easier to urge people for unbalanced actions than to solve issues step by step," Filatov said.

Commenting on the situation in and around neighboring Chechnya, he confirmed that the Russian leadership had finally decided to help the anti-Dudayev opposition. Asked how it corresponded with Ruslan Khasbulatov's claims for opposition leader, Filatov answered, "I do not know."

Ingush President May Resign Over Refugee Problem

LD2209200094 Moscow INTERFAX in English 1844 GMT 22 Sep 94

[Text] The mass return of refugees to the Prigorodnyy District, scheduled for September 23-26 may fail to take place, President Ruslan Aushev, of Ingushetia has said.

He told a news conference in Nazran on Thursday that the measure for the return of forced migrants and refugees to their homes in the Prigorodnyy district was being held under President Yeltsin's decree, however, it had acquired a political tinge, he said.

He also claims that Russian special services supply the Russian leaders with distorted information about the situation in the area of the Ossetian-Ingush conflict and the division of peoples into those in favor and against continues.

"If the Russian leadership fails to take the appropriate measures to bring the refugees home, I will not hold the refugees back. As a last resort, I will resign," Aushev said.

Meanwhile the chief of the provisional administration in the state of emergency area Vladimir Lozovoi is meeting with the Mufti and elders of Ingushetia on Thursday to discuss the situation in Ingushetia and the state of emergency area, because the question of a mass return of forced migrants is still on the agenda.

Moscow Criticized for Inaction in Ingushetia

MK2309092094 Moscow KOMMERSANT-DAILY in Russian 23 Sep 94 p 3

[Report by Mikhail Kirtser: "Situation in Ingushetia. Aushev Accuses Russia of Subversive Activity"]

[Excerpts] The massive return of Ingush refugees in North Ossetia's Prigorodnyy Rayon planned for today will not take place. This was stated in yesterday's press

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conference in Nazran by Ingushetia President Ruslan Aushev. Moscow's protracted inaction, Mr. Aushev thought, may, however, lead to a fresh eruption in the region. KOMMERSANT-DAILY special correspondent Mikhail Kirtser reports from the Ossetia-Ingushetia conflict zone. [passage omitted]

The Ingushetia president described Moscow officials' position in rather sharp terms. He also criticized Vladimir Lozovoy, head of the Temporary Administration, who, in Aushev's opinion, is pro-Ossetia, and Defense Minister Pavel Grachev who, as the Ingushetia president stated, is prepared to settle conflicts anywhere else but in Russia. Mr. Aushev spoke even more sharply about Russian special services which, as he put it, are playing their own game together with their North Ossetia counterparts on the territory of Ingushetia with the aim to destabilize the situation. And although Boris Yeltsin's edict on the return of refugees has somewhat defused the situation, the Russian authorities, the Ingushetia president believes, have completely lost interest in settling the situation and are letting developments slide.

Aushev Urges Yeltsin to Act on Ingush Refugees

LD2209173194 Moscow INTERFAX in English 1339 GMT 22 Sep 94

[Text] Ingush President Ruslan Aushev urged Russian President Boris Yeltsin to "take decisive measures" for the return of Ingush refugees to the Prigorodny Region of North Ossetia.

Aushev sent a telegram to Yeltsin saying that the situation in Ingushetia had sharply deteriorated. Aushev said the Russian president's decrees on the return of refugees had not been carried out and the schedule for the return of displaced persons had been wrecked. He added that it was very hard for the Ingush leaders to keep the situation under control.

Aushev said the Interim Administration avoided action and North Ossetia ignored the Russian Constitution, legislation and decrees of the Russian executive powers. Aushev said all this could make people lose confidence in Russia and cause Ingush leaders to take desperate actions.

Aushev said that if there were no urgent measures taken the situation in the region could deteriorate and lead to unpredictable consequences.

Premier Warns Ingush Against Wildcat Repatriation

MK2209111094 Moscow SEGODNYA in Russian 22 Sep 94 p 2

[Report by Natalya Gorodetskaya from Nazran in the "Caucasus" column: "Viktor Chernomyrdin Invites the Ingush To Renounce Unauthorized Repatriation. North Ossetian Interior Troops Have Been Put on High Alert"]

[Text] Yesterday evening Vladimir Lozovoy, head of the Provisional Administration in the emergency rule area, appealed to the citizens of Ingushetia and North Ossetia in a TV address. Lozovoy quoted a telegram by the Russian Federation prime minister to leaders of Ingushetia, North Ossetia, and the Provisional Administration in which Viktor Chernomyrdin described the mass return of refugees to Prigorodnyy Rayon as a "detonator of an explosion of violence in the entire Northern Caucasus," inviting them to renounce the action and "resume the negotiating process, making it continuous."

Lozovoy warned that he "will fully use his powers to avert any provocation," reminding that "the holding of rallies and various mass processions in the emergency zone is banned and constitutes a criminal offense," and called for the problem to be resolved by peaceful means. To this end, in his opinion, the North Ossetian leadership "needs strictly to implement the schedule for the return of citizens to their homes and for the holding of corresponding construction and restoration work;" and the Ingush leadership "should unilaterally stop giving legal and political assessment of the 1992 events and making territorial and other claims;" and both Russian Federation components "should establish direct contacts at the level of permanent missions."

Yesterday a session of the Ingush Presidential Council and the Security Council began, attended by Nikolay Yegorov, Russian Nationalities and Regional Policy minister, who had arrived in Nazran; Vladimir Lozovoy; and Interregional Prosecutor Vitaliy Kalykin, which discussed the message by the head of the Provisional Administration and also the expediency of starting the mass return of Ingush refugees. The session is likely to continue throughout the night, and its results will become known today.

Meanwhile, as of 20 September, North Ossetian Internal Affairs Ministry personnel were put on high alert. According to North Ossetian authorities, the main events during a possible "peace march" should unfold in the area of the villages of Chermen and Kartsa. There, since 21 September, under Vladimir Lozovoy's orders, a curfew has been imposed beginning 2200. "In order to curb acts of sabotage and save people's lives, North Ossetian Internal Ministry personnel have been authorized to shoot with a purpose," Colonel Soslan Sikoyev, deputy internal affairs minister, said.

Not counting on military force alone, the North Ossetian parliament, at its next session due to open in Vladikavkaz 29 September, is planning to address Boris Yeltsin with a proposal to extend the emergency regime in the zone of the Ossetian-Ingush conflict for another two months. The term of the current emergency regime expires on 30 September.

Yegorov Visits Ingush-Ossetian Conflict Zone

LD2209172994 Moscow INTERFAX in English 1339 GMT 22 Sep 94

[Text] Russian Minister for Nationalities and Regional Policies Nikolay Yegorov is now in the state of emergency zone on North Ossetian and Ingush territory where

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the situation has recently deteriorated as a result of the intention of the Ingush to hold a "peace march" to the Prigorodnyy Region of North Ossetia on September 23.

Yegorov told journalists that he was visiting the conflict area on the instructions of Russian President Boris Yeltsin and aimed at working out decisions for stabilizing the situation in the state of emergency zone together with local leaders. Yegorov will also discuss the implementation of the Russian president's decree on the return of refugees and displaced persons to four populated centers of the Prigorodnyy Region.

In Vladikavkaz Yegorov met with the North Ossetian leaders led by President Akhsarbek Galazov and Head of the Interim Administration in the conflict zone Vladimir Lozovoy. Yegorov is also expected to meet with Ingush President Ruslan Aushev.

Yegorov took part in the session of the North Ossetian parliament today. During the session North Ossetian parliamentarians decided to ask the Russian president to extend the state of emergency on a part of North Ossetian territory for two more months. The present state of emergency will expire on September 30.

N. Ossetia Urges Extension of State of Emergency

LD2209200494 Moscow INTERFAX in English 1844 GMT 22 Sep 94

[Text] The North Ossetian parliament passed a decision Thursday to urge Russian President Boris Yeltsin to prolong the state of emergency on part of the republic, including the Mozdok, Pravoberezhny and Prigorodny districts as well as Vladikavkaz from 14:00 of September 30, 1994 to 14:00 of November 30, 1994.

Vice Prime Minister Georgiy Dzhigkayev told the parliamentary session that the republican government committed itself to develop a program to stabilize the situation and lift the state of emergency within the next two months.

The head of the Interim Administration in the Ingush-Ossetian conflict zone, Vladimir Lozovoy, said he and Nationalities and Regional Policy Minister Nikolay Yegorov would meet Moslem leaders of the North Caucasus Thursday. The two Russian officials intend to talk the Moslem leaders out of holding a so-called "peace march" of Ingush refugees to the Prigorodny District of North Ossetia scheduled for Friday.

N. Ossetian State of Emergency Extended

LD2209134194 Moscow Mayak Radio Network in Russian 1300 GMT 22 Sep 94

[Text] The North Ossetian parliament has extended the state of emergency regime on a part of the republic's territory for a further two months, till 30 November.

Chernomyrdin Arrives in Sverdlovsk

LD2209192094 Moscow Radio Rossii Network in Russian 1600 GMT 22 Sep 94

[Text] Chairman of the Russian Government Viktor Chernomyrdin arrived in Sverdlovsk Oblast today. Our correspondent Ella Erkomaishvili reports.

[Erkomaishvili] It so happens that I have not been in the Urals for a long time, so let us get acquainted, Viktor Chernomyrdin said at Nizhniy Tagil airport. He began by acquainting himself with the products and progress of conversion in the workshops of the Urals freight car construction plant production association. One of the leading enterprises of the military-industrial complex, it continues to produce modern armored vehicles while actively implementing a conversion program: new varieties of freight cars, oil tanker cars, loaders, excavators—a whole list of so-called peace-time output, for which there is a great demand.

At the same time, the plant has not escaped the misfortunes being experienced by the defense industry as a whole. This year, for instance, the Defense Ministry borrowed around 200 billion rubles.

In the course of the meeting, the plant's management raised the issues of paying back the loan and deciding the size of future state orders. The Nizhniy Tagil administration also used the visit to recall that a government decree on measures for state help for the socioeconomic development of Nizhniy Tagil city in Sverdlovsk Oblast and for protecting the health of the local population and environment was signed at the start of 1993. The conclusions of the state council of experts on ecology and natural resources are available. The degree of degradation in the environment—and that is the word they use—and the state of health of people living in Tagil correspond to the symptoms of an emergency ecological situation zone. In relation to this, a document on a targeted federal program to the year 2000 was passed to the chairman of the government.

Work will continue in Yekaterinburg on 23 September. The program includes visits to large machine-building plants and to the metro that is now under construction, and a meeting with the administration of the oblast.

Ella Erkomaishvili for the Radio Russia news service, Yekaterinburg.

North Caucasian Military Exercises Begin

LD2209204194 Moscow Mayak Radio Network in Russian 1830 GMT 22 Sep 94

[From the "Slavyanka" program of the Russian Defense Ministry]

[Text] The next report is from the North Caucasian Military District where comprehensive inspection of

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units and command and staff exercises are under way. Major Valeriy Orlov, a freelance correspondent, reports by telephone.

[Orlov] The first two days were devoted to putting the district's troops on various level of combat readiness. Colonel General Vladimir Semenov, commander in chief of the ground troops, has inspected the level of combat readiness of several units, subunits, and command bodies of the Volgograd Garrison. The same military units performed a mock military assignment on a test range. A missile brigade carried out missile launches in their deployment area.

In the opinion of Major General Vladimir Semenov, the training and material provisions of the units and subunits that were inspected meet the requirements. The personnel demonstrated a sufficient level of professional readiness and combat skills.

Penza Plant Prospering From Conversion

MM2309095694 Moscow ROSSIYSKAYA GAZETA in Russian 20 Sep 94 First Edition p 3

[Report by Nikolay Bulavintsev: "And The Workforce Has Been Kept On"]

[Text] Penza's "Elektropribor" Plant has launched itself vigorously into the process of structural overhaul. Previously it worked solely for defense, whereas now many items have appeared here which are being used with success in the most varied spheres—ranging from medicine to agriculture.

The "Alfa-M" medical instruments are in particular demand. The range of diagnostic and medicinal possibilities of this apparatus is unique. It can be used successfully in stomatology, neurology, surgery, and other spheres of medicine.

Apart from health-care instruments, the plant has also set about producing dictaphones, tape recorders, and satellite antennae. A flexible, multifaceted policy is helping the enterprise to keep its workforce and its high technological potential.

Kalmykia President Says Election Delay Unwarranted

MK2209133094 Moscow SEGODNYA in Russian 22 Sep 94 p 3

[Unattributed report in the "Provincial Chronicle" column]

[Text] Elista—Kalmykia Republic President Kirsan Ilyumzhinov considers unreasonable the proposal of moving parliamentary elections in the Russian Federation and holding them simultaneously with presidential elections in summer 1996. Ilyumzhinov himself intends to run for a second term as Kalmykia president in 1998.

Kamchatka Democrats Will Not Contest Local Elections

MK2209134094 Moscow SEGODNYA in Russian 22 Sep 94 p 3

[Unattributed report in the "Provincial Chronicle" column]

[Text] Petropavlovsk-Kamchatskiy—Representatives of the peninsula's democratic parties have announced their refusal to participate in elections to the Oblast Legislative Assembly and the City Duma set for 23 October. Party representatives cite various reasons for their refusal: strategic motives; the unwillingness to spend forces on elections that will extend the powers of representative bodies for merely one year; and also the fact that in previous elections the Kamchatka electorate did not wish to cast their votes for the bloc of democratic parties.

Nemtsov Ordered To Stay On Without Poll

MK2209101094 Moscow KOMMERSANT-DAILY in Russian 22 Sep 94 p 3

[Report by Andrey Chugunov, Dmitriy Kamyshev under the "Nizhniy Novgorod Governor Elections" rubric: "Deputies Denied Boris Nemtsov the Right To Run for Office"]

[Text] Nizhniy Novgorod Oblast, which has long been known for the currently uncommon unanimity of views between its executive and legislative authorities, continues to live up to its reputation as one of Russia's most stable regions. On 20 September, deputies of the oblast legislature turned down a request by administration chief Boris Nemtsov about calling elections for governor 27 November, saying that they are perfectly happy with the incumbent oblast chief.

The idea of early elections for chiefs of the executive branch has been gaining particular popularity these days: newly elected local deputies have taken it up in the hope that they will thus get rid of current governors appointed from above, who also tend to be very intransigent. As for governors, they, with rare exceptions, are not rushing to run for reelection, and, as a countermeasure, propose that a moratorium on elections for local administration chiefs be imposed till 1996.

Against this backdrop, the initiative by the Nizhniy Novgorod governor, who has not faced particular problems in his dealings with legislators and who enjoys broad support among the oblast's population, might seem illogical. Still, Boris Nemtsov himself explained his voluntary ascent of the electoral Golgotha by his unwillingness to depend on whether or not Moscow wishes to see him holding this job. This explanation looks fairly reliable if one recalls a scandal over the failed elections for the Nizhniy Novgorod mayorship last spring and the subsequent presidential edict on firing the then city head, Dmitriy Bednyakov (KOMMERSANT-DAILY

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reported it this past March). Moreover, the combination of the governor race with by-elections for the oblast legislature and new elections for Nizhniy Novgorod mayor, which have already been scheduled for 27 November, could boost voter turnout.

The governor's arguments, however, failed to convince the deputies. Many of them expressed fears that the elections would lead to political instability, and an electoral race whose outcome is a foregone conclusion (apart from Nemtsov, there are simply no realistic candidates for the post of governor in Nizhniy Novgorod) will place too heavy a burden on the already sparse oblast budget. All the more so, the legislators said, because they are quite happy with the incumbent governor, and it is well known that it is better to leave well enough alone.

The legislature vote translated the universal fondness for the governor into the austere language of numbers: Only one deputy voted for the elections, another one abstained, and the rest voted "No." Mr. Nemtsov, astonished by such unanimity, nonetheless expressed his hope that the elections will take place, if not next year, then at least together with the presidential elections in 1996. For, the governor noted, "democracy has a high price, but its absence is even more costly."

Komi Approves Draft Separation of Power Treaty

MK2209132094 Moscow SEGODNYA in Russian 22 Sep 94 p 3

[Unattributed report in the "Provincial Chronicle" column]

[Text] Syktyvkar—The Komi republic's Supreme Soviet Presidium has approved the draft treaty on dividing powers with Russia. The agreement could be concluded this November. The document refers to the republic's jurisdiction its legislation, state structure, citizenship, budget, taxes, procedures for alternative civil service, and regulation of investment activity by the republican bank.

Cossacks Score Don Atamans' Chechen Deal

MK2209102094 Moscow KOMMERSANT-DAILY in Russian 22 Sep 94 p 3

[Report by Mariya Razdorskaya: "Meeting at Nationalities Ministry. Cossack Council Meets in Moscow"]

[Text] Any heightening of tensions in the North Caucasus is bound to affect the interests of the Cossacks who live there. This time, the Cossacks' attitude to the armed conflict in Chechnya nearly caused a split in the Cossack leadership. Yet, the two-day meeting of the Cossacks Union's Council of Atamans, which ended at the Nationalities Ministry, was designed to help finally to overcome the differences, participants in the meeting said in a news conference yesterday.

What could amount to an apple of discord was the Treaty on Friendship and Mutual Assistance, signed this August by Chechen President Dzhokhar Dudayev and Nikolay Kozitsin, acting ataman of the Cossacks Union of the Don Army. However, there were virtually no differences on the issue during the meeting: All participants in the meeting, according to Aleksey Martynov, ataman of the Cossacks Union, heaped harsh criticism on Kozitsin's action, saying that they have nothing to do with the policy of the Cossack movement's leaders. Mr. Martynov emphasized that this document is "invalid," and Vladimir Naumov, first deputy ataman of the Cossacks Union, called the treaty "a private deal between Dzhokhar Dudayev and Nikolay Kozitsin."

The meeting also discussed the question of the Cossacks' attitude to the conflict in Chechnya. According to Aleksey Martynov, the union supports neither Dzhokhar Dudayev nor the opposition, but "stands on the side of the 200,000 afflicted Russian Cossacks." As for the Cossacks' involvement in the Chechen conflict, it has limited itself to economic and financial assistance to Chechnya's Russian-speaking population. At the same time, it was stressed at the meeting that the Cossacks, while avoiding conflicts with any of the warring sides, are not going to tolerate provocations by anyone.

The atamans also considered the draft law "On Cossacks," drawn up by the Ministry on the Affairs of the Federation and Nationalities. According to participants in the meeting, the Cossacks Union disagrees with many provisions in the draft. For instance, Aleksey Martynov noted, it defines "not clearly enough" the Cossacks' social status. Some articles—for instance, one stipulating that atamans will be appointed, not elected locally—run counter to Cossack traditions, because, as Vladimir Naumov stressed, "the Cossacks are a people, not a military estate."

Vladivostok Unionists May To Dump Social Accord

MK2209135094 Moscow SEGODNYA in Russian 22 Sep 94 p 3

[Unattributed report in the "Provincial Chronicle" column]

[Text] Vladivostok—Rallies organized by the local trade union federation have been held in several of the kray's cities, in the course of which threats were heard to recall the federation's signature from the Public Accord Pact and launch a signature-raising campaign for the early resignation of the president and government unless the trade unions' demands are met: payment of wages and indexation of wage arrears, a revision of the credit and financial policy, and ensuring state regulation of energy prices. Participants in the rally expressed their protest against "the anti- national socioeconomic policy pursued by the president and the government," and demanded that Prime Minister Viktor Chernomyrdin arrive in the

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city and "personally report" on how the government decree granting the kray a number of economic privileges is being implemented.

Yeltsin Indexes Pensions in Samara Oblast

MM2209143194 Moscow ROSSIYSKAYA GAZETA in Russian 21 Sep 94 First Edition p 1

[Russian Federation Presidential Edict No. 1925, signed by President Yeltsin: "On the Indexation of State Pensions in Samara Oblast"]

[Text] Given the high level of prices for consumer goods and services in Samara Oblast, and with a view to providing social support for pensioners, I decree that:

1. All pensions in Samara Oblast calculated in accordance with the RSFSR Law "On State Pensions in the RSFSR" (without compensation) shall be increased as of 1 August 1994 by 51 percent on the basis of the size of the pensions paid in July 1994.

In this connection the minimum old-age pension with the general length of service required for a full pension shall be 28,700 rubles a month as of 1 August 1994.

2. In setting pensions or recalculating them as of 1 August 1994 total earnings received prior to 1 August 1994 shall be indexed using a factor of 1.51. The size of the pension will then not be increased by 51 percent.

The compensation payment set in accordance with Russian Federation legislation shall be maintained.

3. Prior to the adoption of the federal law on the provision of this subsidy, the Russian Federation Government Pensions Fund shall ensure the allocation to this fund of a grant for the pension indexation envisaged by this edict.

4. This edict comes into force from the day it is signed.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin
17 September 1994
No. 1925

Altay Grain Harvest Well Behind Clock

MM2209152494 Moscow PRAVDA in Russia n 21 Sep 94 p 1

[Report from PRAVDA-ITAR-TASS-POSTFACTUM column under "In Brief" rubric: "Never Mind About Siberian Grain"]

[Text] In Altay only half of the total area of grain crops, which exceeds 4 million hectares, has been cut and 40 percent of that has been threshed. The pace of harvest work in the kray is the slowest in Siberia. The summer heat completely scorched 500,000 hectares of the harvest.

Strike Could Presage Pechora Coal Field Shutdown

MM2209125094 Moscow TRUD in Russian 21 Sep 94 p 1

[Report by Fedor Yemchenko under the "Such News" rubric: "Vorkuta Has Started. Will It Continue?"]

[Text] The start of this week was marked by a miners' strike. According to a report by Viktor Semenov, deputy chairman of the Vorkuta Independent Miners' Union, the miners of 10 coal-extracting enterprises in the Pechora coal field stopped work for 24 hours Monday. The participants in the warning strike demanded that the leadership of the "Vorkutaugol" Company take all measures to clear the arrears on the fuel that has been delivered, stop diverting finances to other purposes unconnected with the payment of wages, and distribute money obtained for coal among enterprises only by agreement with the trade unions.

Some of the miners' demands were addressed to federal government bodies. They include excluding the costs of paying regional wage supplements from the price of coal, starting to draw up before 1 October a state program for the resettlement of Pechora coal field miners, and revising downward the tariffs for transport services.

If these demands are not fulfilled, the Independent Miners' Union is prepared to declare a full strike.

Arkhangelsk Official Says Bureaucrats Fomenting Discontent

LD2209112694 Moscow Radio Rossii Network in Russian 1000 GMT 22 Sep 94

[Text] The conflict which has recently arisen in Arkhangelsk Oblast is by no means local. Pavel Balashin, head of the administration, has accused government bureaucrats of sabotage and of attempting to undermine the prestige of the Russian Government and president. Our correspondent Vladimir Loiter reports:

[Loiter] Today the Arkhangelsk thermal electric power station has just 4,000 tons of fuel oil. The Severodvinsk thermal electric power station has shut down completely. The reason is a 70-billion ruble debt of the enterprises of the Russian nuclear ship construction center to power engineering workers. To repay this colossal debt is impossible from the regional budget. Fuel suppliers do not believe any assurances or paper documents. Even back in August the Russian president and prime minister signed a directive instructing enterprises of the military-industrial complex and military formations of the Northern Fleet to repay their debts. Then the Ministry of Finance earmarked tiny amounts, enough to pay wages to people. But they did not provide the resources they had promised for conversion programs, let alone for the purchase of fuel. It is impossible to understand the reasons. Functionaries in the administration of the president and the prime minister refuse to answer any phone

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calls or letters as well as coded messages sent to top officials of the legislative power.

Pavel Balashin believes that the bureaucrats deliberately sabotage the directives of the president and prime minister in order to stir up discontent in the regions. He believes that there can be no other reason, since during his visit to Arkhangelsk Viktor Chernomyrdin, Pavel Grachev, Vladimir Shumeyko, and Sergey Shakhray assured the regional authorities they would do everything within their power to preserve the center of Russia's nuclear ship construction.

Maritime Kray Governor's Dacha Burns

MM2209153494 Moscow IZVESTIYA in Russian 21 Sep 94 p 2

[Report by Natalya Ostrovskaya: "Fire at Governor's Dacha"]

[Text] Vladivostok—There was a bad fire at a wooden building in the suburbs of Vladivostok during the night of 19-20 September despite incessant torrential rain and flooding in Maritime Kray. There would have been nothing remarkable in that—there are plenty of things exploding and catching fire in the kray—had not, first, the building been a guarded state dacha and had not, second, kray administration head Yevgeniy Nazdratenko not lived there with his family for 18 months now since taking office.

According to the administration press service, at 0300 hours Yevgeniy Ivanovich was woken by a dog. This was highly opportune since the fire had already barred the exit from the room and the head of the kray authorities, along with his wife, had to jump out of a window. The press center reports that the children's room was also blocked off by the fire. However, it is emphasized that despite the proximity of the fire the two schoolboys were sleeping peacefully and were not injured during the evacuation. Which cannot regrettably be said of their parents, who sustained localized burns. It has also been reported that the Nazdratenko family's personal property was totally destroyed in the fire.

A task force of personnel from the Federal Counterintelligence Service, the kray internal affairs directorate, and the fire service forensic laboratory is hot (literally!) on the trail, investigating the causes of the fire. Despite the fact that the investigation had produced no results at the time this report was written, Valentin Aleksandrov, chief of the kray fire-fighting directorate, for some reason totally ruled out arson during a conversation with your correspondent. If that is indeed the case and an accident occurred because of a wiring short-circuit, say, why was Administration Head Nazdratenko woken by the dog and not by the guards and, moreover, only at a time when his only option was to jump out of the window. If you believe the press center, the guards thought (and I quote) that: "There was just a light on in the house and the governor was working into the night as usual." Typically the regulation fire extinguishers which were used to try to fight the fire before the firefighters arrived were nonoperational, like the guards.

As a result the family, which does not have its own apartment in Vladivostok (before his appointment to the lofty post the administration head worked and lived in a different city—Dalnegorsk), has been forced to move into a hotel.

You do not have to be a great prophet to predict that this fire has hotted up the already hot political passions seething in the kray ahead of the gubernatorial election scheduled for 7 October. Nazdratenko is one of three candidates.

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International Affairs

Udovenko, Kozyrev Open Talks on Cooperation Treaty

LD2209172294 Moscow ITAR-TASS in English 1541 GMT 22 Sep 94

[Text] Kiev September 22 ITAR-TASS—The minister of foreign affairs of the Russian Federation, Andrey Kozyrev, has described his working visit to Kiev as the "continuation of dialogue between Russia and Ukraine". Kozyrev and his Ukrainian colleague Gennadiy Udovenko met reporters before their bilateral consultations behind closed doors here today.

Kozyrev said Russia was attaching great importance to its relations with Ukraine. Udovenko added that the two ministers would discuss "some aspects of Ukrainian-Russian relations which need de-ideologization".

The talks were expected to center around the draft treaty of friendship, cooperation and partnership between Russia and Ukraine.

Today's consultations in Kiev are part of the final stage in the work on the text of the document which Russian President Boris Yeltsin and Ukrainian President Leonid Kuchma are due to sign in the course of their upcoming summit.

As is known, joint work of the delegations from Russia and Ukraine on the draft treaty began on August 11 after a telephone conversation between the two presidents and has proceeded in an atmosphere of mutual understanding. In the past two days, 80 percent of the text have been brushed up, and the leaders of the delegations told a press conference devoted to the results of their efforts that they were satisfied and "the wording met the national interests of both Russia and Ukraine". As concerns the key aspects of bilateral relations, such as territorial integrity of the states, the inviolability of the existing borders and the national minority rights, the sides have achieved complete mutual understanding, the press conference was told.

Following the signing of the full-scale treaty, a package of some twenty economic agreements is expected to be signed, including on such major dispute awaiting settlement as Ukraine's debt for the Russian supplies of energy resources and the division of the Black Sea Fleet.

The bilateral treaty is designed to strengthen friendly ties between Russia and Ukraine. President Boris Yeltsin stressed in his message of greetings on the occasion of Ukraine's Independence Day in August that "there is every prerequisite and an express will of the peoples of the two countries for the fruitful development of equal relations between the sovereign and independent Russia and Ukraine in all fields".

Official Kiev has repeatedly stressed that it was attaching great significance to the improvement of relations with Moscow and was favouring the removal of ideological tension and the building of civilised and constructive relations with Russia.

Hold News Conference

LD2209223294 Moscow ITAR-TASS World Service in Russian 1700 GMT 22 Sep 94

[By ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik, UKRINFORM correspondent Aleksey Petrunya]

[Text] Kiev, 22 Sep—No final date has been decided upon for Russian President Boris Yeltsin's official visit to Ukraine. It will probably take place soon after the meeting of heads of state of the CIS which opens on 21 October. Russian Foreign Minister Andrey Kozyrev, in Kiev on a two-day working visit, announced this today at a news conference.

According to him, the negotiating process on the eve of the signature of a wide-ranging Treaty on Friendship and Cooperation is making quite active progress and this is a source of profound satisfaction. "We have no greater priority than cooperation with Ukraine," Andrey Kozyrev said, and he stressed that after his Kiev meetings and particularly after his conversation with Ukrainian President Leonid Kuchma he had "a sense of working optimism." He believes the forthcoming visit of the head of the Russian state will supply a new impulse to the development of Ukrainian-Russian relations and will help settle many pressing issues—among others, those relating to the division of the Black Sea Fleet and assets and liabilities and the servicing of the external debt. "We should do everything to enable both sides to win and to prevent the agreements from damaging the national interests of both Russia and Ukraine," the minister said.

Ukrainian Foreign Minister Hennadiy Udovenko shared Andrey Kozyrev's opinion, stressing that the process of the Ukrainian-Russian talks contains hope for the achievement of positive results which will be of benefit to the two peoples. "We believe that relations with Russia are a priority in our foreign policy. The Ukrainian Supreme Soviet confirmed this by appointing me to my current post. Therefore we should seek the positive sides to our past and present relations instead of the negative in order to move forward to closer ties between our two fraternal peoples," Hennadiy Udovenko stressed.

Asked by journalists whether the treaty would contain a clause on the inviolability of the borders and territorial integrity of states Andrey Kozyrev said: "The formulations may be different. However, in essence I see no problem here, since that position is in line with generally acknowledged CSCE principles."

Speaking of Ukraine's role in the CIS, Hennadiy Udovenko noted that Ukraine must [word indistinct] its participation in the CIS, especially in its peacekeeping

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activities. "Ukraine's active role lies not in signing any particular documents, but in seeing that they reflect our country's position," he stressed.

It is expected that tomorrow Andrey Kozyrev will hold talks with Valeriy Shmarov, Ukrainian deputy prime minister and acting defense minister, and Yevhen Marchuk, deputy prime minister.

Later in the day the head of the Russian Foreign Ministry will leave for London.

Kozyrev on Treaty Talks

LD2209195294 Moscow ITAR-TASS World Service in Russian 1522 GMT 22 Sep 94

[By ITAR-TASS correspondent Mikhail Melnik, UKRINFORM correspondent Aleksey Petrunya]

[Text] Kiev, 22 Sep—"Russia's foreign policy begins at Kiev and my working visit to the capital of Ukraine is one more confirmation of this," Russian Foreign Minister Andrey Kozyrev said today during a meeting with Chairman of the Ukrainian Supreme Soviet Oleksandr Moroz.

The head of the Foreign Ministry stressed the aim of this visit was to discuss issues linked to the forthcoming official visit of Russian President Boris Yeltsin to Ukraine and to agree on the text of a wide-ranging treaty between the two states. At the same time, he noted that it was time to get rid of any "trivialities" in the way of fruitful friendly relations.

The text of the treaty should certainly not infringe upon the interests of either Ukraine or Russia, Oleksandr Moroz said. He believes it should reflect the principles of the integrity of the territory of the two states and the inviolability of their borders, in accordance with the principles of the CSCE. In connection with this, work on resolving the problem of the Black Sea Fleet should certainly be accelerated.

Andrey Kozyrev voiced his agreement with the position of the head of the Ukrainian parliament, noting at the same time that "you have not got an elder and a younger brother here. We are more like twin brothers." As for the Black Sea Fleet, then, in the opinion of Andrey Kozyrev it would be good to have a specific document on the issue prepared for Boris Yeltsin's visit, to take a major step towards a final solution of the problem.

Another topic discussed was the need to solve the issue of using the missions of the former USSR in other countries. In this connection Andrey Kozyrev said: "Here we have an absurd situation, in which our neighbors and brothers are forced to look for accommodation, while we have many premises standing idle. Our group of experts believes the problem can be solved painlessly."

Kozyrev and Moroz also touched upon the Crimean issue, which incidentally is being discussed today at the session of the Ukrainian Supreme Council. "We, Ukraine and Russia, have to work out a joint approach to the situation in Crimea," Oleksandr Moroz said. Andrey Kozyrev for his part stressed that the Russian side very much appreciated the fact that a friendly exchange of view was taking place between the two countries.

The two sides stressed that the main concern in solving these issues is that there should be no use of force. The issue of Crimean Tatars also has to be taken into account. In this connection Oleksandr Moroz suggested that some joint document should reflect common efforts in solving the problem of deported peoples. We inherited the issue from the former Soviet Union, and it has to be tackled collectively by all the former republics. However, this does not preclude bilateral agreements as well, Andrey Kozyrev stressed.

The issue of cooperation in the development of military hardware, which both sides believe could be sold at the NATO market, was also raised during the meeting.

At the end of the discussion, which was marked by the spirit of mutual understanding, both sides spoke in favor of developing and deepening mutually beneficial cooperation between the two states.

Udovenko Views Relations With Moscow

AU2309081694 Kiev HOLOS UKRAYINY in Ukrainian 16 Sep 94 p 7

[Interview with Foreign Minister Hennadiy Yosypovych Udovenko by Valentyna Pysanska; place and date not given: "The State's External Policy Must Be Concerted"]

[Text] *It is, perhaps, not difficult to notice that the focus of our state interests has recently drastically shifted from west to east. If one carefully analyzes the course of events in Ukraine's political and economic life, an emphasis on Russia, the CIS countries, countries of the Middle and Far East, and Central Asia can be seen with absolute clarity....*

Does this signify a change of priorities in Ukraine's foreign policy or just a change of accent? How are we to build our relations with the world? A HOLOS UKRAYINY correspondent asked Hennadiy Udovenko, Ukraine's acting minister of foreign affairs [appointed foreign minister 15 September], to answer these and other questions.

[Pysanska] Hennadiy Yosypovych, I would like to go back, for example, to the first year of our independence, when our society was in a state of euphoria: We had ridded ourselves of the totalitarian regime, and for that alone the world was to admire us and the West help us. That is why not only the numerous participants in rallies started looking toward the West. That was the position of the state, which opted for that specific priority in its foreign policy. Not much time passed before we became convinced, yet again, that that was not the right direction. Please tell us whether it was a strategic error or a requirement of that specific period?

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[Udovenko] To begin with, let me disagree on one point: We did not only look toward the West. Nor can it be said that we did not realize the importance of relations with Russia. However, one should not disregard the time factor when the totalitarian system collapsed. Yes, there was some euphoria. It is particularly distressing that the policymakers' main miscalculation was that the attempt "mechanically" to transfer the experience of advanced countries to our own was an illusion.

We invited the best Harvard University scientists to be our consultants. They failed to combine the brilliant achievements of Western countries with either our conditions or our mentality.

Moreover, Western experts predicted a remarkable future for us. I remember a beautifully published brochure—an analysis of the situation in Ukraine: We were in sixth place among the world's countries with the best possible conditions for transformations. Who could not have fallen for this?

Well, it didn't work. We wasted time and also squandered the capital acquired within the Soviet Union. However, I have no intention of criticizing my predecessors—they worked in those conditions, and not in the current ones.

After the proclamation of sovereignty, we started looking for priorities—whose example to follow in foreign policy? Now, we can speculate on whether our priorities were correct. However, we have already gone down that road and lived through a certain period of time, and it is inappropriate to blame the miscalculations on anybody in particular.

[Pysanska] You are right, but the problem remains: In order to build our relations with the world, the state must determine its priorities. What are they in current foreign policy?

[Udovenko] Foreign policy must be concerted. We must be guided primarily by our state's national interests and then by the interests of other countries.

Our present urgent and most important tasks include a normalization of relations with Russia and an improvement and development of ties with CIS countries, because the situation in which all of us, and not just Ukraine, have found ourselves is not normal. It is meaningless to accuse anybody in particular of disrupting the ties, because everyone has contributed to it. Consequently, the situation must be corrected by joint efforts.

[Pysanska] Have relations with Russia been given priority treatment?

[Udovenko] Not entirely, but primarily. However, the process must be bilateral and equal. The development of events indicates that both sides realize this. I am pleased: Negotiations on preparing and signing an agreement on friendship, mutual assistance, and partnership between Ukraine and Russia are proceeding successfully, and specialists dealing with the problems of the Black Sea Fleet are working normally.

Yet another direction: An improvement of ties with CIS countries, especially in the trade and economy sphere. Indeed, is it normal that, in order to pay their bills, people carry sacks of money from country to country? However, old ties cannot be re-established automatically. For example, take the diesel-manufacturing factory in Luhansk that used to get supplies from 800 towns of the former Union. It is clear that it is unprofitable to bring screws for it from the Far East.

These problems must be addressed in a sensible manner, but markets must be sought primarily in the CIS countries. The thing is that Western markets have long been divided, and it is not simple to appear upon them even with the best technologies. That is why Western countries are so willing to conquer the CIS markets. We must remember: If we lose our niches on that market, they will immediately be occupied by others.

[Pysanska] Well, Russia, the CIS countries.... Who is next?

[Udovenko] I would not put these priorities in a numerical order, as none of them rules out the others. For example, those states that are our closest neighbors and relations with which I consider extremely important—Poland, Hungary, Bulgaria, and the Baltic countries.

We have not yet sufficiently assessed the phenomenon of the Far Eastern countries—Malaysia, Thailand, and Singapore, which are developing very fast. We do not have a concept for the development of relations with countries such as Egypt or the United Arab Emirates.

[Pysanska] You are making a radical and decisive change in the foreign policy....

[Udovenko] I would put it differently. Ukraine's president, the Supreme Council, and, of course, the Ministry of Foreign Affairs formulate our state's national interests and, in view of the difficult economic situation, have decided to take a more pragmatic stance (and rightly so) in our relations with other countries. The situation has changed and time itself demands that our foreign policy be modified and that regional approaches be devised. This is what we have started to do.

[Pysanska] You did not say anything about relations with the United States.

[Udovenko] This is a topic for a separate conversation. Relations with the United States represent an extremely important trend. In short, the United States must guarantee our nuclear security. Having proclaimed ourselves a nonnuclear state, we have not received any security guarantees. Even though we are not giving up this course, where are the United States' concrete steps?

[Pysanska] You mentioned a modification of foreign policy. Does this also mean that the Foreign Affairs Ministry will undergo restructuring?

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[Udovenko] No doubt about it. Of course, it will not be restructuring for the sake of restructuring, but concepts of approaches toward foreign policy and its criteria will undergo changes.

To summarize the above, I would like to point out that we would certainly like to cover the road of our development without mistakes, with more confidence, and with good results. However, we must not forget that our society is in the process of restructuring and that its political system is changing, not to mention the ideology of the people that cannot change smoothly. That is why we must make every effort to avoid losses as much as we can.

Skeptical About Eurasian, Slavic Union

MM2309090994 Moscow IZVESTIYA in Russian 23 Sep 94 p 3

[Account of interview with Foreign Minister Gennadiy Udovenko by Leonid Kapelyushnyy and Yanina Sokolovskaya: "Show Concern for Ukrainians as We Show Concern for Russians, Ukraine's New Foreign Minister Said on the Eve of His Meeting With Andrey Kozyrev"]

[Text] Kiev—"The ambassador to Russia should be a man of broad outlook, tremendous culture, with prestige in both countries, and of course be a Ukrainian patriot," that was how Ukrainian Foreign Minister Gennadiy Udovenko answered your IZVESTIYA correspondents' question as to who would now take up the vacancy as Kiev's envoy to Moscow.

The new foreign minister has begun his career by recalling two key Ukrainian ambassadors—Vladimir Kryzhanovskiy from Russia and Oleg Belorus from the United States.

Gennadiy Udovenko does not hide the fact that he would like to see foreign policy professionals in his department. Regrettably, the minister said, Ukraine has a shortage of such specialists.

The head of the foreign policy department has in the past worked in UN departments in New York and Geneva and was until recently ambassador to Poland. Admittedly, earlier still, in the fifties, in response to a routine party call the future minister was chairman of a kolkhoz in the village of Kazimirovka in Kiev Oblast.

As for Ukraine's foreign policy, the new minister promised that it will be well considered and predictable. He said that the priority remains Russian-Ukrainian relations, which he believes to be in need of de-ideologization. "It is important to realize—if you like, to resign yourself to the fact—that Ukraine is an independent state and that 'little sister' and 'big brother' are no more," he said.,

The minister sincerely regrets that all horizontal ties collapsed with the USSR and promised to restore them where possible. However, Gennadiy Udovenko was skeptical about the creation of both a union of Slavic states and a Eurasian Union. "The declaration of Ukrainian independence was adopted by the will of the whole people, and no one has a right to forgo even a small amount of sovereignty. That is only possible once the question has been put to a referendum. Ukraine is an independent state and will develop its policy by steadily cleaving to that principle," the minister explained.

The declaration of independence prohibits Ukraine from taking part in military blocs—which is why Kiev's signature is not to be found on the CIS Collective Security Treaty, the minister said. "But that does not preclude the broadest cooperation: That is sensible and necessary."

According to Gennadiy Udovenko, Kiev feels a moral obligation toward ethnic Ukrainians who are living in [other] CIS countries and have adopted those countries' citizenship.

"The diaspora comprises 6-7 million people," the minister said. "We would like the governments of Russia and the other states to show concern for Ukrainians just as we in Ukraine show concern for Russians, for preserving the originality of other ethnic minorities. Regrettably, Ukrainians in the near abroad do not have their own schools, libraries, or periodicals."

Foreign Minister Departs for U.S. 23 Sep

LD2309102194 Moscow ITAR-TASS in English 1004 GMT 23 Sep 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev September 23 TASS—Ukrainian Foreign Minister Gennadiy Udovenko will make a report at the 49th U.N. General Assembly session about the main aspects of Ukraine's foreign and domestic policy. He left for the U.S. today together with a Ukrainian delegation he is leading. The delegation includes Dmitriy Tabachnik, chief of staff of the Ukrainian president, and Boris Oleynik, chairman of the commission for foreign affairs and ties with CIS at the Ukrainian Supreme Soviet.

During the work of the session Udovenko will have meetings with foreign ministers of a number of foreign countries, a spokesman for the Ukrainian Foreign Ministry told ITAR-TASS.

Kiev To Ask Countries for Debt Deferment

LD2209171694 Moscow INTERFAX in English 1339 GMT 22 Sep 94

[Text] Ukraine is unable to repay its debt to creditor nations and will be forced to ask for a deferment, Prime Minister Vitaliy Masol told parliament.

"Our nation is bankrupt", he said.

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Masol said the bulk of the country's debt is to Russia and Turkmenistan ($1.8 billion and $1 billion respectively). Kiev owes Russia $2.5 billion and $424 million to nations outside the former Soviet Union, Masol said.

The Ukrainian Finance Ministry's special department and the International Monetary Fund handle the country's debt problem.

Gas Debt Talks With Russia Near Completion

LD2209170994 Moscow ITAR-TASS in English 1511 GMT 22 Sep 94

[Text] Lvov September 22 BUSINESS-TASS—Russia's gas giant Gazprom and its smaller brother Ukrgazprom of Ukraine have practically completed negotiations on the repayment of Ukraine's debt to Russia for fuel supplies by way of exporting to the West some of the natural gas stored in the underground cavities in the Lvov and Ivano-Frankovsk regions.

This was announced today by Zinovy Osiichuk, chief of the technical department of Ukrgazprom Stock Company. Osiichuk told BUSINESS-TASS that the quotas have yet to be specified.

According to him, Ukrgazprom is considering the construction in the Lvov region of a plant to manufacture polymer pipes to meet the needs of Ukraine and its Commonwealth partners. It will be the biggest plant of this kind in the Commonwealth of Independent States.

The construction of the plant will be coordinated by Lvov Transgas Gas Pipeline Directorate. Applications to take part in a tender for the right to build the facility have already been submitted by German, Austrian and Dutch companies.

Concern Chlorvynil, based in the town of Kalush, Ivano-Frankovsk region, will provide raw materials produced with an American technology.

Kiev, Tatarstan Agree on Joint Oil Company

LD2209185394 Moscow Mayak Radio Network in Russian 1700 GMT 22 Sep 94

[Text] A protocol on setting up the Ukraine-Tatarstan Transnational Oil Company was signed in Kiev today. The meeting between Ukrainian Prime Minister Vitaliy Masol and Tatarstan Prime Minister Mukhammat Sabirov has ended there. Oil-extracting enterprises from Tatarstan and oil refineries from Ukraine will join the company. The sides have agreed that they will have equal shares in the authorized capital.

Ukraine To Help Turkey Build Oil Pipeline

LD2209202594 Moscow ITAR-TASS in English 1838 GMT 22 Sep 94

[By ITAR-TASS correspondent Galina Nekrasova]

[Text] Lvov September 22 TASS—Negotiations between Ukraine and Turkey on the building of an oil pipeline on Turkish territory by Ukrainian specialists have ended in Kiev.

"Ukraine needs to have several alternative sources of oil," said Stepan Yalovega, a spokesman for Ukrneftegas company.

A gigantic trans-continental pipeline will be built passing through the oil terminals in the Turkish port of Samsun and Odessa, Ukraine and farther to Kremenchug to the western part of the Lvov region.

The operating distribution network in the Lvov and Transcarpathian regions will be used to feed up to 45 million tonnes of oil a year to Western Europe.

The new installations will be built by a joint Turkish-Ukrainian enterprise founded by Ukrzakordonhaftobud and two Turkish companies.

According to specialists, it will cost three billion American dollars to build the main transportation network.

Turkey's decision to bar oil-carrying tankers from passing through Bosphorus and the Dardanelles gave an impulse to diplomatic and intergovernmental talks on uniting oil infrastructures in a single oil transportation network.

Black Sea Fleet Carries Out Large-Scale Exercise

LD2209161694 Moscow INTERFAX in English 1339 GMT 22 Sep 94

[Text] The Black Sea Fleet press office told Interfax that the Fleet is engaged in a large-scale exercise on September 19 to 23.

A unit of surface ships fired anti-aircraft missiles on September 20. Initially, this exercise was to be carried out jointly with Ukraine's air defense fighters but the Ukrainian command called off its participation two weeks before its start and so Russian jets were engaged in it.

A missile boat and a land-based rocketry battalion carried out a firing exercise on the same day.

Five missile boats and attack planes are to fire and bomb a sea target on September 22.

Allegations by BSF Press Center 'Disproved'

LD2209215594 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 22 Sep 94

[Text] The press center of Ukraine's Naval Forces disproved allegations by the press center of the Black Sea Fleet to the effect that the command of Ukraine's Naval Forces intended to seize the military trade administration units of the Black Sea Fleet. This assertion is absolutely groundless, the statement by the press center indicates. The command of Ukraine's Naval Forces

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expressed regret in connection with the fact that the official body of the Black Sea Fleet command circulated false information at the moment when relations between Ukraine and Russia are improving at an inter-state level, when real prospects for solving the Black Sea Fleet issue are taking shape, the statement by the press center of Ukraine's Naval Forces says.

National Issues

Six 'Episodes' at Zaporizhzhya AES in Aug

AU2209141394 Kiev HOLOS UKRAYINY in Ukrainian 21 Sep 94 p 6

[Report by Oleksiy Breus: "Nuclear Specialists Had To Give In"]

[Text] **Ukraine's State Committee for Atomic Energy has reviewed the operation of nuclear power stations in August.** The nuclear sector fulfilled 99.4 percent of the reduced plan. It is the first time since the committee was formed that the plan has not been fully fulfilled (although the shortfall was only slight).

It was known in advance that the situation would develop that way. At the Zaporizhzhya station, electricity production decreased owing to the rise in temperature in the cooling pond as a result of the summer heat wave. In addition, the system of control and reactor protection had to be examined, and it was necessary to perform unscheduled repairs on one of the power units. At the South Ukrainian station, there was a delay in putting the first unit back on line after repairs, because it was necessary to heed some comments by Ukraine's State Committee for Atomic Energy. Precisely for the above reasons, the plan for August was amended—the two plants had to produce half of the initially planned electricity. However, they failed to fulfill even this reduced target. As a result, the entire sector failed to fulfill the plan.

The rest of the stations fulfilled their plans. It must be pointed out that, in July, only the Chernobyl station produced more electricity than planned. But the station's contribution to the total energy produced in August fell to 18.6 percent. In winter, it accounted for at least twice as much.

Had everything been in order at the stations for the month, they would have produced almost 1.5 times their actual production of electricity, or an additional 1364.05 million kilowatt/hours. This was prevented, in particular, by operational disruptions, which led to unforeseen reductions in the capacity of the power units. However, the failure to fulfill the plan was mainly due to delayed repairs. This was, in turn, caused by the shortage of funds resulting from the failure of consumers to pay for their electricity.

With regard to safety, according to the State Committee for Atomic Energy, 13 episodes occurred at the stations in August. All of them were of zero level on the international scale of assessment at nuclear power stations. The Zaporizhzhya station accounted for six of these episodes.

Chernobyl Unit Halted by Emergency System

LD2209211594 Kiev UNIAN in Ukrainian 1445 GMT 22 Sep 94

[Text] Chernobyl [no dateline as received]—At 0740 today an emergency protection system halted the operation of the reactor at the third power unit of the Chernobyl nuclear power station. Prior to this, the power unit was gathering capacity after repair work: The reactor was under a load of 400 megawatts (about 13 percent of the rated duty), the turbo-generator was not yet connected to the power network.

The emergency protection system operated due to excessive growth of pressure in the reactor circuit. According to a preliminary version, the pressure remained normal and the emergency signal was made due to a malfunction of the measuring system.

After the faults are corrected the after-repair commissioning of the unit will be resumed.

Kuchma Forms Anticholera Commission

LD2209184494 Moscow ITAR-TASS in English 1705 GMT 22 Sep 94

[By ITAR-TASS correspondent Galina Nekrasova]

[Text] Kiev September 22 TASS—A governmental commission has been set up by a decree of Ukrainian President Leonid Kuchma to supervise cholera control. The commission is headed by Valeriy Samoplavskiy, a first deputy prime minister.

A total of 137 cholera cases, including 71 in the Crimea, have been diagnosed in Ukraine so far. Two patients are children.

The commission's task is the localization of cholera in Crimea's Nikolayev, Kherson, Saporozhye, Kirovograd and Chernovtsy regions. The comission said a source of cholera had not been identified so far.

Kuchma Promises To Settle Miners' Dispute by 25 Sep

LD2209213094 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 22 Sep 94

[Text] President of Ukraine Leonid Kuchma directed all his energy to solving the problems facing the Donbass miners. Petro Kupin, chairman of the Luganska Oblast Council of People's Deputies, said this in an interview for journalists.

We are convinced that the socio-economic situation in our region can be stabilized and improved, emphasized Petro Kupin. The president gave firm guarantees that the

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state debt on miners' wages will be settled by 25 September. The fact that by 1 October the Cabinet of Ministers will work out a package of measures to improve the system of material and technical supply of coal mining enterprises also raises hopes. The president of Ukraine promised to grant a delay in payments of debts and credits by mines until 1 January 1997.

Further Mine Explosion Exposes Worsening Conditions

MM2209130094 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Sep 94 p 1

["Inform" column report: "They Never Came Back From the Mine"]

[Text] There has been another explosion in the Donbass, this time at the "Donetskugol" association's "Yuzhnodonbasskaya" mine. The explosion occurred at a depth of almost 1,000 meters on Saturday. But the three miners' bodies were brought to the surface only two days later. The miners were basically buried alive.

There were also losses among the rescue workers who forced their way through to the miners. Two people were killed.

A commission is working at the mine to establish the cause of the disaster. But officials are already attributing the continuing explosions by "poor coal extraction conditions, a shortage of materials, and indiscipline." This is already the fourth disaster in the Donbass this year with major loss of life.

Deputies Appeal Sevastopol's Russian Status

LD2209221694 Kiev UNIAR in Ukrainian 2100 GMT 22 Sep 94

[Text] Sevastopol, 22 Sep—Eleven deputies to the Sevastopol City Council, members of the "Russia" bloc, issued an appeal to the city residents in connection with the fact that the Supreme Council of Ukraine rescinded the decision by the Sevastopol City Council on the Russian status of the city of Sevastopol. The authors of the appeal maintain, in particular, that such decisions are within the competence of the city council. The appeal emphasizes that by making the decision on the Russian status of Sevastopol the session legalized the will of the city residents and Black Sea sailors. "Legally and historically Sevastopol was a Russian city and will remain a Russian city and its national pride," the appeal says.

The authors appeal to the residents of Sevastopol "not to yield to the provocations by all sorts of nationalists who are trying to falsify the history of the multinational hero-city, the honor and glory of Russia."

Russian Communities Hold Congress

MK2209140094 Moscow NEZAVISIMAYA GAZETA in Russian 22 Sep 94 p 2

[E.K. report in the "In Brief" column]

[Text] Lviv—The first congress of Russian communities of Ukraine's western oblasts has been held here. Delegations representing six oblasts took part in it. The congress was conducted by Lieutenant General Anatoliy Strogov, former commander of the Transcarpathian Military District Air Forces. In their statements participants in the congress spoke about facts of violence and brutalization with respect to activists of the Russian national movement in Ukraine. Dmitriy Rogozin, chairman of the Congress of Russian Communities [CRC], promised to create a "Russian community" within the Russian Government, and said that on 7 October a CRC organizing committee session will be held in Moscow. The congress in Lviv ended with the adoption of an appeal to the Ukrainian president and parliament to preserve Slavic unity.

National Security Adviser on Fight Against Crime

WS2309142594 Kiev KIYEVSKIYE VEDOMOSTI in Russian 20 Sep 94 p 3

[Interview with Yuriy Havrylov, national security adviser to Ukrainian President Leonid Kuchma, by Natalya Ishchenko; place and date not given: "Deputies Should Attach More Attention to Privatization"]

[Text] As Yuriy Havrylov, the Ukrainian president's aide for state security, said himself, his biography is very simple and can be presented in full in just two sentences. He was born in 1947 in Transcarpathia, where he graduated from the local university. Soon after this, he became a member of the KGB, which was later transformed in the Security Service of Ukraine, for which he is currently working.

He did not participate in Leonid Kuchma's presidential campaign. He was invited to fill his current post after the new president assumed power.

[Ishchenko] What is your attitude toward such frequent statements as the following one: "The slogan of the fight against crime is purely populist?"

[Havrylov] Speaking about an abstract country, political forces can actually organize a populist campaign "on the fight against crime" to achieve certain goals. This is a well-known strategy. Our situation is completely different. First, our state has not yet been finally formed and stabilized. Second, the atmosphere of crime drastically affects our life, which is also determined by the volume of sources controlled by "shady organizations," attraction of a significant intellectual potential to service them, and other factors. Those who call the battle against crime "props" or a "delusive maneuver by the authorities" simply do not know the state of affairs in our country. Life itself, and not populist slogans, forces us to step up the activities of law enforcement agencies.

[Ishchenko] Many people live in difficult conditions, which "provokes" them to commit illegal acts...

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[Havrylov] The reason behind the current increase in crime lies, of course, not in any poor work on the part of the militia. It reflects the state of our society. I would compare this process to the law "of pickled cucumbers"—any fresh vegetable ending up in pickle becomes pickled. No matter how perfect a man is, if he is placed in a specific environment, it will affect him one way or another. It is no secret that the conditions of Ukraine's economic life make businessmen, state officials, and common citizens search for all possible ways of improving their material situation, including illegal ones. Therefore, a healthy, stable economy is undoubtedly the mother of all foundations for the fight against crime. One should not, however, fall to another extreme—to spread one's hands and say that living conditions have brought about such a wave of crime that no one can cope with it. If the current situation in Ukraine lasts longer, the consequences can be very serious for both our country and neighboring states. If we really want to integrate into the world community and build a civilized state, these problems must be resolved immediately.

One should not forget that the social development of an entire generation took place under conditions of instability and a transitional period. Young people currently see their way to material well-being without normal work. It is also terrifying that our society indifferently tolerates violations of the law.

[Ishchenko] There is currently much talk about the need to abolish the status of deputy immunity (as one of the means of the battle against organized crime and corruption).

[Havrylov] In my opinion, taking into account the current conditions, people's deputies would earn more authority if they turned down this provision. Still, I am convinced that the Supreme Council deputies should attach more attention to privatization, which, in terms of its influence on social processes, surpasses the remaining issues planned for consideration by the second session. Privatization is, as a matter of fact, distribution of the country's wealth, which has accumulated over several generations. One should not forget that participation in or initiation of similar processes was a driving force behind many events of a revolutionary nature. If we allow for miscalculations regarding privatization, certain people may want to "grab a pitchfork" and get their share.

At the same time, one must understand that when two economic structures coexist in one state, there is a very powerful temptation to "take one's place" on this "watershed," feed oneself at the state's expense, and simultaneously develop one's own economic activities.

"The privatization operation" must be conducted very precisely, with surgical precision, and this depends on the Supreme Council.

Presidential Adviser Views Investment Climate

WS2309081594 Kiev UKRAYINA MOLODA in Ukrainian 16 Sep 94 p 4

[Interview with Oleh Yakovych Popov, foreign economic adviser to Ukrainian President Leonid Kuchma, by Iryna Chemerys; place and date not given: "Investments Are Not Gifts But a Good Opportunity To Boost Our Economy"]

[Text] Oleh Yakovych Popov, adviser for foreign economic issues to the Ukrainian president, was born in 1945 in Lvov. He graduated from Lvov University with a degree in theoretical physics. Professor Ihor Yukhnovskyy used to teach him. He has a doctorate of sciences. Beginning in 1989, he began engaging in business activities. Until last year, Oleh Yakovych ran his own companies. He was respected by fellow businessmen. Leonid Kuchma invited him to join his team on the eve of presidential elections.

[Chemerys] Oleh Yakovych, the situation in Ukraine's investment sector is traditionally described as black. Your duty in Kuchma's office is, among other things, to attract foreign investments to the national economy. Which particularly pressing issues would you resolve first?

[Popov] Of course, we should regulate the investment climate, and the Kuchma administration is sparing no effort in this direction. The work to draft a package of presidential edicts and laws (yes, a package!) is under way. We will submit them for Supreme Council consideration to cover the entire legislative area. Only then can we really discuss the issue of foreign investments and credits. In my opinion, the mistake of the previous presidential team was to resolve various issues separately, without uniting them into a system. This is, however, a condition for any successful operation. For example, the edict on currency regulation is connected with 62 other laws, and this thing cannot be ignored. Of course, we would like to draft this system of laws as soon as possible and I believe that we would be able to accomplish this by year's end.

When we unite Ukraine's foreign trade operations into one system, we cannot but take into consideration the situation in the state and the rules of GATT, because we would like the system of our laws, tariffs, and taxes to comply with international law. The unfavorable investment climate in our state is also exacerbated by various Ukrainian institutions—ministries, departments, and even a special Office for International Cooperation and Investments—dealing with investments and acquiring technical aid. Their moves and efforts are not coordinated. Our state has received only $27 million out of the $2 billion that was promised to Ukraine by the World Bank. We attribute this to the mere lack of a single body organizing the work. This is a negative development because warring Armenia, for example, has already received $150 million. This shows how investments can be attracted.

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[Chemerys] There are specific requirements for issuing investments which Ukraine, obviously, has failed to meet.

[Popov] No, this is not the point. We can meet these requirements. The most important thing is to adjust mutual interests. Therefore, we should take care not only of ourselves. By the way, the other side is ready to meet our requirements while we erect various obstacles and demands which, as we have learned, have not been erected by any other state before. To my regret, this has been taken into consideration and my task is to organize this work.

[Chemerys] What do you regret?

[Popov] My task is to shape a policy that would attract investment, but I have to fulfill the functions of an organizer. For example, we have recently signed an oil agreement—providing that Ukraine will receive 5 million tons of oil with a two year- term of payment delay—with the known U.S. businessman Kulukundys. Let us look at our relations with OPIC [expansion unknown], a U.S. company which insures private companies' investments. We have drafted 23 projects regarding investment in agricultural processing. OPIC will insure these investments, and work is already under way in this direction. Much work is being done and I hope that we, along with Foreign Economic Relations Minister Serhiy Hryhorovych Osyka, will regulate this work and appropriate offices will deal with its various aspects.

[Chemerys] We are accustomed to the thought that Ukraine sorely needs investments. Oleh Yakovych, do you remember a popular phrase "The West is not waiting for us?" Given this situation, how would you comment on the fact that these investments will not be made in the sectors, which, in our opinion, are of key importance?

[Popov] Our Ministry of Economy has indeed outlined priorities for foreign investments and technical assistance. But again because this process was not coordinated, the ministry cannot influence the situation at all. I guess we will be able to make our national interests influence our investors who, by the way, fully agree with this because they would like their money to work, not vanish like water in the sand. Investments are not gifts and economic assistance has to be repaid; nonetheless, they can boost our economy. I do not mean to imply only Russia here, for we are discussing proposals from various states.

[Chemerys] Then, our priority partner in foreign trade has not changed....

[Popov] Russia is our stable partner. Some 70 percent of our industry is connected with Russia. Besides, Ukraine receives Russian energy resources, without which we cannot go on. I will repeat that we realize that we cannot put all our eggs into one basket, therefore we are studying our relations with other states such as the United States and countries of the Near East.

[Chemerys] It is generally found that the most sensitive point in the package of economic reforms that are being planned by the presidential administration are hopes for World Bank credits. Are we in a position to receive them?

[Popov] We do not connect all of our plans to this source of financing, rather we work in several directions. I believe that each of these sources can be productive, though again none of them can resolve all of our problems. We will be unlucky if one of them fails our expectations, but at least this would not strongly affect our economic reforms.

We do not only hope to receive World Bank credits, but we are working in this direction and our work is rather efficient. Mr. Kovalskyy, director of the European Department at the World Bank, who recently met with the Ukrainian president, touched upon the issues that, in his opinion, are of primary importance for our continued cooperation. The World Bank would like to deal with a specific partner, a state institution, to consider Ukraine's national interests in bilateral relations.

The World Bank is planning to issue a $2 billion loan to us within the next two years, however, on conditions that we would be able to draw up loan documents correctly and in accordance with their rules (we have not done this before). In addition, Mr. Kovalskyy showed his readiness to help us in negotiating with the Paris and London Clubs of Creditors to receive their financial assistance. The world community has interest in rendering financial aid to Ukraine to turn it into an economically developed state. It is our task to accept and use this financial relief to make it work for our state.

Continuing Reportage on Crimean Government Crisis

Meshkov Rescinds Orders Suspending Parliament

LD2209140094 Moscow ITAR-TASS in English 1354 GMT 22 Sep 94

[By UKRINFORM correspondent Lev Ryabchikov for TASS]

[Text] Simferopol September 22 TASS—The Crimean president has rescinded today his decree and instructions which suspend the activities of the Parliament.

Crimean lawmakers met today to continue the discussion of draft bill on the Government of the Republic of Crimea. However, President Yuriy Meshkov, who unexpectedly appeared in the hall, asked to be given the floor to make a statement.

Meshkov said that the conflict between the structures of power, worsened by natural calamities, epidemics of cholera and dysentery, had reached an extreme point,

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putting the Crimean statehood in jeopardy. The president declared that he unilaterally decided to take a step to overcome the crisis and rescinded his decree and instructions which suspend the activities of the Crimean Parliament and local councils.

Meshkov pointed out that the Parliament's resolution to pass a vote of no-confidence in the government was a rash act adopted without a substantial discussion of the activities of each minister. Meshkov pointed out that he has no objections if the Parliament nominates its own candidates to the government, adding that it is necessary to offer convincing arguments to prove that by their professional characteristics these candidates are better than the ministers in power now.

Meshkov pointed out that under the present circumstances personal relations should be left in the background, while state interests should be put to the fore. Meshkov called to form a plenipotentiary delegation to hold talks between the Parliament and the president.

Having discussed the president's statement, the Parliament formed the delegation as Meshkov had suggested.

Meshkov Rejects Saburov Resignation

LD2209114394 Moscow Radio Rossii Network in Russian 1100 GMT 22 Sep 94

[Text] Crimea's President Yuriy Meshkov has not accepted the resignation of Yevgeniy Saburov's government. As is known, he was advised to do so by the Crimean Parliament, which expressed no confidence in the government on 15 September. According to INTERFAX, a statement circulated in Simferopol today by the press service of the Crimean president notes that the government will continue its work in its full composition.

Parliament Moves To Curb Meshkov's Powers

MK2209103094 Moscow SEGODNYA in Russian 21 Sep 94 p 1

[Report from Simferopol by Viktor Yadukha under the "Peninsula" rubric: "Crimean Parliament Tries To Take Over Full Authority"]

[Text] At today's session Crimean deputies plan to pass in second reading the Law on the Government of the Republic of Crimea, which they discussed yesterday.

"The amendments made to the final version of the draft law are aimed at stripping the president of all powers as head of state," was how Yuriy Meshkov's press secretary, Vyacheslav Lebedev, commented on the document. "For instance, under the law, before submitting candidates to government posts to the president, the vice premier must discuss them with parliamentary commissions."

Under the amended law, the president will no longer be the head of state, but just the head of the executive branch. He may not—without the parliament's consent—conclude treaties and agreements with the executive authorities of foreign states and international organizations. The president may not open Crimean missions in foreign countries or appoint envoys without parliamentary ratification, either.

In addition, on the night of 21 September the deputies mulled the idea of the Supreme Soviet's compulsory ratification of virtually all government documents, down to contracts on oil or fruit deliveries.

"Now it is clear that the president will not be able to agree with the parliament on anything," Vyacheslav Lebedev concluded.

Government members did not attend the parliament meeting.

Talks Between Meshkov, Deputies End 'To No Avail'

LD2209180194 Moscow ITAR-TASS in English 1704 GMT 22 Sep 94

[By ITAR-TASS]

[Text] Simferopol September 22 TASS—The first round of talks between the Crimean President Yuriy Meshkov and a delegation of Crimean lawmakers ended to no avail on Thursday. The talks were held on the initiative of the Crimean president who had suggested that the parliament form a plenipotentiary delegation to hold talks with the aim of resolving the conflict between the executive and legislative branches of power on the peninsula, which worsened early in September.

Addressing a morning session of the parliament today, Meshkov announced his decision to unilaterally repeal his previous decree which suspends the activities of the parliament and local councils. In his opinion, "the confrontation between power structures had reached an extreme point and jeopardizes the Crimean statehood".

During the talks held later the parliamentary delegation suggested discussing a range of problems pertaining to the abolishment of presidential decrees, which had been recognised unconstitutional by the Crimean parliament, resignation of the present government and the formation of a new cabinet. However, Meshkov insisted that the parliament first repeal amendments and addenda to the law on the Crimean president which limits the powers of the head of the executive power.

Later, it turned out that the president had not repealed his decree on the parliament, but merely suspended it.

The delegation of Crimean lawmakers asked to postpone the talks in order to hold consultations. Some lawmakers of the Crimean Parliament believe that if they fail to find a way out of the conflict during the dialogue which just began, the ruling bloc "Russia" should hold early presidential and parliamentary elections.

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Parliament Meeting Postponed Until 26 Sep

LD2309142394 Moscow ITAR-TASS in English 1249 GMT 23 Sep 94

[By ITAR-TASS correspondent Lev Ryabchikov]

[Text] Simferopol September 23 TASS—The meeting of the Presidium of the Crimean Supreme Soviet, scheduled for today, has been put off. The leaders of the Crimean parliament have taken time out until Monday to think over yesterday's decision of the Ukrainian Supreme Soviet on the Crimean issue. Judging by the pronouncements of individual members of the Crimean Supreme Soviet and of leaders of local public organisations, the reaction to this decision is mostly calm.

Member of the Presidium of the Crimean Parliament Mikhail Bakharev believes that no other decision of the Ukrainian parliament on the Crimean issue, just as on Sevastopol, could be expected. The right-wing and left-wing nationalistic forces in the Ukraine Supreme Soviet are eager to liquidate the Crimean statehood, but the Ukrainian Supreme Soviet will never adopt such a decision because, firstly, it needs a constitutional majority to do it, which is unachievable today. Secondly, before adopting such a decision, it is necessary to weigh all the attendant factors, primarily Russia's view on this score. "I think Russia will not allow Crimea to be deprived of its statehood."

Chairman of the Crimean Union of Businessmen Aleksandr Dudko expected a sharper decision. "The chance given to the Crimean parliament to think over the problem until November 1 is obviously in favour of Crimea. A similar fuss will begin in Kiev at the end of October and Ukraine will then simply have no time to deal with us," he stated.

Kuchma Addresses Supreme Council on Crimea

LD2209161394 Kiev Radio Ukraine World Service in Ukrainian 1350 GMT 22 Sep 94

[Speech by Ukrainian President Leonid Kuchma to the Ukrainian Supreme Council in Kiev—live]

[Text] I apologize, but I have an official meeting at 1700 with Russia's foreign minister. This issue arose, as they say, spontaneously. I would just like to say two words, first of all to Deputy Vasyl Vasylyovych from Poltava Oblast. There are many deputies here including myself-....[pauses]. I would like to remind you all, first that the Supreme Council of Crimea has adopted the post of president of Crimea. This is a violation of the laws and Constitution of Ukraine, not to mention other things.

I would like to tell you all that if we see what is happening there by the mass media, [words indistinct] there are practically no Ukrainian newspapers there then how....[pauses] [applause] I would like to remind everybody that the Ukrainian president's position was always reflected in the mass media. I have not taken a single step away from this position. The president's task is to ensure peace, not to mention other things. Everyday I coordinate my positions with Oleksandr Oleksandrovych Moroz and there were practically no differences between us.

Today I would like to ask you. It is a very complicated problem. Perhaps it should be discussed in another chamber but I would ask you to support the draft decision that we have here today. We are giving one branch of power, as well as the other, the possibility to once again take a step closer to each other. You should understand me. As the president, I could sign an edict today rescinding all the edicts of President Meshkov. Please tell me whether this would resolve the issue? No. I would not like to offend the Crimean deputies, but in the four or so months that they have been working they have practically not adopted a single decision within Ukraine's legislative sphere. Everything has been to the contrary. So we should propose: Lads let us live harmoniously. I would also like to address the Crimeans. I think that the majority of people today in Crimea are worried by one thing only: That the Supreme Council of Crimea and the president of the Autonomous Republic of Crimea are not engaged in economic problems but are engaged in a power struggle. As voters you should ask them what they promised you during the election campaigns when they asked you to vote only for them. I would like to ask that they take one more step. We will wait and see. I hope that Crimea's president, Yuriy Meshkov, and Crimea's Supreme Council would display common sense. Thank you.

Ukrainian Supreme Council Resolution on Crimea

LD2209162494 Kiev Radio Ukraine World Service in Ukrainian 1508 GMT 22 Sep 94

[Resolution adopted by the Ukrainian Supreme Council on Crimea read by Ukrainian Supreme Council Speaker Oleksandr Moroz—live]

[Text] The political crisis in Crimea has been caused by the extremely unsatisfactory solution of the socioeconomic problems and incapability of the legislative and executive powers to find common, effective approaches toward their solution.

Proceeding from the analysis of the situation in the Autonomous Republic of Crimea, made by a provisional deputy commission that was working in the Autonomous Republic of Crimea from 16-20 September 1994, the Supreme Council of Ukraine resolves:

First: To agree with the assessment of the situation in the Autonomous Republic of Crimea, contained in the statement by the Presidium of the Supreme Council of Ukraine of 12 September 1994, and in the conclusions made by the provisional deputy commission.

Second: To appeal to the president of Ukraine, as the guarantor of the Constitution and laws of Ukraine, to take measures to bring the enactments of the executive

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bodies of the Autonomous Republic of Crimea in correspondence with the Constitution and the laws of Ukraine. In particular, this refers to the edicts by the president of Crimea to suspend the activities of Crimea's Supreme Council and local councils at all levels, which led to the liquidation of the political power of the people in the autonomy.

Third: The Supreme Council of the Autonomous Republic of Crimea must bring the Constitution and laws of the Autonomous Republic of Crimea in correspondence with the Constitution and legislation of Ukraine by 1 November 1994.

Fourth: The provisional deputy commission for studying the situation in the Autonomous Republic of Crimea must continue its work. If the Supreme Council of the Autonomous Republic of Crimea fails to fulfill Item No. 3 of the resolution, in cooperation with the Commission for Issues of Legal Policy and Judicial Reform, must submit by 1 November this year a draft resolution on measures ensuing from the Constitution and laws of Ukraine.

Fifth: The Cabinet of Ministers of Ukraine must render assistance to the Autonomous Republic of Crimea in solving issues pertaining to the preparations for the winter of 1994-1995 and implementation of measures to improve the sanitary and epidemiological situation in Crimea.

Sixth: The results of the fulfillment of this resolution must be considered by 5 November this year.

Report on Ukrainian Delegation to Crimea

944K2365C Simferopol KRYMSKIYE IZVESTIYA in Russian 21 Sep 91 p 1

[N. Gavrileva report: "Ukrainian Deputies Study the Situation"]

[Text] As we know, a delegation of the Supreme Council of Ukraine, which came here with the purpose, as was said at yesterday's press conference, "not to judge but to objectively study the situation," has been working in Crimea in recent days. It is no secret that in the conflict of the two branches of power both parties are appealing to Kiev for support. Today this matter is being prepared for consideration by the Supreme Council of Ukraine, this is why the delegation was here.

In four days of very intensive work, its leader, Yuriy Karmazin, said, all 14 members of the delegation went to practically all parts of Crimea, held dozens of meetings with ordinary Crimeans and the management of enterprises and organizations, and met with almost all leaders of political parties. There were, naturally, meetings with S. Tsekov and Yu. Meshkov also—"in an atmosphere of complete mutual understanding."

The journalists expected, naturally, from the deputies of the Supreme Council of Ukraine seated at the table a precise answer to the question: What are they taking away with them, what will they report at the session, what way out of the situation do they see? Unfortunately, we did not hear any precision in Yu. Karmazin's answers. Perhaps it is true at this time that it is too much to expect from people that have been here just for a while, even those invested with authority, an in-depth comprehension of a situation that even Crimeans themselves have not fully grasped.

As was said, the delegation will prepare several options of a possible solution. But which of them will be adopted by the Supreme Council, it is hard to say. Attention was focused on the fact that the delegation was composed of people of various political views ("but they are all distinguished by a balanced approach") and representatives of various regions of Ukraine, including four from Crimea. Yuriy Anatolyevich said, for that matter, that the commission had discovered violations at the legal level in the actions both of the president and of the Supreme Council of Crimea. The address of an "instigator" of the situation was given, incidentally—the news media, of course: For what purpose, for example, did Ostankino show a gun against the background of the Supreme Council of Crimea building? Where had it gotten it and for what purpose?

As the speaker emphasized, the main task is to ensure that the fragile balance not be conclusively shaken and that the situation not be detonated. But how to ensure observance of the Constitutions of Crimea and Ukraine? A truly Solomonic solution is needed here. Stabilizing the situation in Crimea is extremely necessary inasmuch as it is not only Crimea but Ukraine as a whole that is suffering. Foreign banks, for example, are in no hurry to grant Ukraine credit: They are afraid of instability in the policy of the big country.

How can the Constitution of the Republic of Crimea be brought into line with the Ukrainian Constitution? Yuriy Karmazin believes that there are several options, but one should be the principal one: "There is such a concept as supremacy of the law throughout the territory of the country." It is understandable WHICH law is the basic law on the territory of Ukraine. But the leader of the delegation simply does not draw conclusions from this: "We have conveyed to you merely several polar-opposite conclusions." But he recounted here the story of how the Lvov Oblast Council had violated the Constitution in some respect, and the Supreme Council of Ukraine reversed the unlawful decision and, as a second point, warned the disobedient ones that, in the event of a repetition, their council would be dissolved.

Yuriy Anatolyevich personally did not say anything as regards the actual institution of the presidency in Crimea. But "the people say that there cannot be two parliaments and two presidents in one state, we will not provide for them." In any event, there is no such thing in the Constitution of Ukraine, just as there is no Crimean Constitutional Court, which would altogether engender

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the legal nonsense of the Supreme Court in Crimea being elected according to a law of Ukraine and of its rulings being protested for some reason or other by a lower court, such as the Constitutional Court is in relation to the Supreme Court....

Much time at the news conference was devoted to questions of the boycott that the president of Crimea had organized prior to the elections of deputies of the Supreme Council of Ukraine. There was mention also of the high cost of each round of voting (1 billion per district) and of the tardy apologies of the Russia bloc to certain elected deputies and, most important, of the responsibility for tranquillity in the country, which this bloc had put in jeopardy.

But, as Deputy Karpenko, a member of the delegation, added, S. Tsekov said that there would be an end to the legal nihilism in Crimea. Our Deputy Loyevskiy hinted that Crimeans could, if need be, conduct a referendum, but received the response: "You should not intimidate people with a referendum. People, under whom life has become worse for the nation, have come to power today on the strength of this. Would the nation even go to the polls again?"

In conclusion, we asked each member of the delegation to express the opinion that he had formed following the assignment to Crimea. They practically all noted the cordiality of the meetings and for this reason, most likely, insisted in their responses that the Crimeans themselves are capable of coping with the situation. If help is needed, the Supreme Council of Ukraine is prepared to give it.

Formation of New Government Viewed

944K2366B Simferopol KRYMSKAYA PRAVDA in Russian 21 Sep 94 p 1

[Comments by Supreme Council Deputy Refat Chubarov, chairman of Kurultay parliamentary faction, recorded by O. Volodin; place and date not given; under the rubric "Fact and Commentary": "First Step Made Toward Forming a New Government"]

[Text] **As is known, the Crimean parliament has passed a vote of no confidence in Yevgeniy Saburov's government.**

Many KRYMSKAYA PRAVDA readers want to know what will be the mechanism of implementing such a serious and cardinal step on the part of Crimean legislators.

At our correspondent's request, Supreme Council Deputy Refat Chubarov, chairman of Kurultay parliamentary faction, answers this question:

"To my knowledge, President of Crimea Yu. Meshkov instructed his adviser on economic issues V. Karpov to discuss with leaders of deputy factions their proposals for the nomination of new ministers. This means that the president in fact accepted the resignation of Saburov's "Moscow team" and made the first step toward forming a new government. This does not mean, of course, that the process of putting it together will be easy and there will be no arguments around some or other candidates for ministerial portfolios.

"As to the Crimean Supreme Council's decree of no confidence in the previous government, in keeping with current legislation the president must consider it within seven days and make a corresponding decision. If the president does not take any steps towards forming a new government, the parliament has the right to step in and form the government of Crimea.

"Judging by all signs, we should expect at the very next session of the Supreme Council hot debates on the draft law 'On the Government of the Republic of Crimea,' which is supposed to regulate in detail all the issues associated with the procedure of ministers' nomination, their resignation, etc. So that nobody will have reservations and be able to interpret the law differently. It appears we will have to decide once and for all whether Crimea will have a prime minister or whether it will keep, as now, the position of deputy prime minister subordinated directly to the Crimean president."

Republican Party on Meshkov Presidency

944K2366A Simferopol KRYMSKIYE IZVESTIYA in Russian 21 Sep 94 p 1

[Report by S. Krasnovskiy: "RPK/RDK Condemns the President"]

[Text] A meeting of the expanded Coordinating Council of the RPK/RDK [Republican Party of Crimea/ Republican Movement of Crimea], conducted by party Chairman Sergey Tsekov, was held at the end of last week. The organization's leadership from Armyansk, Bakhchisaray, Krasnoperekopsk, Sak, Sudak, Yalta, and other regions denounced the anticonstitutional actions of the president—former party leader Yu. Meshkov. A statement for release to the mass media was adopted, which said, in particular, that at the very beginning of his presidential term Yu. Meshkov, counter to the RPK's and his own program, urged the Supreme Council not to restore the 6 May 1992 constitution. (Let us recall that in keeping with the RPK program, the executive branch must be headed by the prime minister elected by the Supreme Council, and the Russia bloc's program says that combining the posts of head of the state and head of the executive branch is permissible only for the period of transition.)

In going against the party program, and interpreting the institution of the presidency as a power not limited by anything whatsoever, the former leader from the first days demanded an expansion of his powers and the authorization to "rule by decree," despite his prior statements that the "extent of authority granted the president by the 'Law on the President' creates a threat to democratic process in Crimea."

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In first few days after the elections Yu. Meshkov cut off all contacts with the RPK, and over the entire time of his presidency has not held a single consultation on the subject of planned appointments or decisions not only with the party but with any of the factions in the Crimean Supreme Council. His personally hand- picked government proved incapable of implementing the reforms, and his actions ran counter to the Russia bloc's program.

The culmination of betrayal was Yu. Meshkov's appeal to the president and Supreme Council of Ukraine in which he for all practical purposes not only went back on his campaign promises but also on his pro-Russia orientation, accusing the Crimean Supreme Council of the desire to realize the "Crimean-Russian idea."

As a result of the anticonstitutional actions taken by him, serious damage has been done to Crimean statehood. Especially noticeable is the well-coordinated propaganda campaign in the pro- Ukrainian and "yellow" press close in spirit to the latter to smear both branches of authority and the idea of Crimean statehood. They cite the alleged mercenary desire on the part of the deputies to reshuffle portfolios as the cause of the recent events.

The council reaffirmed the party's desire to realize the bloc's electoral program and form a new government to this end. The council condemned President Yu. Meshkov's anticonstitutional actions and believes it necessary to discuss at the next party congress the question of expelling him from the party.

Expressing its attitude toward the "zero option," the party's expanded coordinating council interprets it as a repeal by the president of all edicts issued between 9 and 12 September. The council appealed to all citizens of Crimea not to allow the liquidation of the statehood of the Republic of Crimea and to support pro-Russia forces in the Crimean Supreme Council.

The council also considered questions of strengthening the party's organizational structure on the local level and preparations for its next congress.

Parliament, President Deemed Incompetent

944K2365B Simferopol KRYMSKIYE IZVESTIYA in Russian 21 Sep 94 p 1

[N. Zubkova report: "Find a Solution: Deputies of the Zheleznodorozhniy District Council of the City of Simferopol Proposed at Their Special Session, Which Adopted an Appeal to All Inhabitants of the District"]

[Text] The session described the activity of both the president and the Supreme Council since their accession to power as having been distinguished by "a particular incompetence, the ill-considered nature of the decisions that have been adopted, and evasion of the resolution of priority problems connected with the economic situation. The proposals of the district and city councils and executive committees concerning the adoption of legislation on the local government authorities have still not been considered."

As the appeal says, the deputies believe that many of the election promises of both the president and the deputies of the Supreme Council remain unfulfilled and that the situation is being made worse by the violation of the Constitution of the Republic of Crimea and the laws of Ukraine and Crimea, which is causing political instability.

The session supported the decision of the Supreme Council concerning the unconstitutionality of the edicts adopted by the president on the dissolution of the councils and proposed that the supreme authorities of the republic do everything necessary to find ways out of the political crisis, and the Supreme Council, to accelerate the adoption of laws on local government with regard to the opinion of the public.

Russian Reaction to Crimea Crisis Viewed

944K2365A Simferopol KRYMSKIYE IZVESTIYA in Russian 21 Sep 94 p 1

[KIYEVSKIYE VEDOMOSTI report: "Russian Politicians Are, For the Most Part, Keeping Quiet About the Events in Crimea"]

[Text] Official spokesmen like, for example, Galina Sidorova, adviser to Andrey Kozyrev, minister of foreign affairs, delivered a statement to the effect that all that is happening on the peninsula is an internal affair of Ukraine.

Kiev is, in fact, behaving, it would seem, so cautiously that Moscow does not have the slightest excuse for acting in defense of Simferopol. In addition, it would hardly be expedient to spoil the festive atmosphere of expectation of the forthcoming trip to Kiev by Boris Yeltsin on account of the president and parliament of Crimea, which have become bogged down in their relationship and which have displayed an utter incapacity for governing the republic.

The press, however, is commenting in lively fashion, meanwhile, on what is happening in Crimea: "Crimea no longer appears proud and independent of Kiev, as was the case at the start of summer. It is now more akin to a provincial hillbilly, who, like a prodigal son, has prostrated himself before his sole parent. Who on the peninsula now can bring himself to maintain that Kiev cannot lay down the law for us. It can, and how!" NOVAYA YEZHEDNEVNAYA GAZETA writes.

Thus Kiev acted as the supreme arbiter in Crimea, and the Crimean authorities agreed with this proposal, recognizing, accordingly, Ukraine's sovereignty over itself. The newspaper SEGODNYA adduces a forecast of further events in Crimea from Yevgeniy Saburov's words: "the complete mess of the imposition of presidential rule on the part of Ukraine, the elimination of the principles

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of Crimean statehood, and a difficult winter in Ukrainian politics. All that we have achieved, including the autonomous budget, will be canceled out, and spontaneous illegal privatization will begin. With Russia's near total silence."

Although describing the situation as a "crisis of insufficient statehood," OBSHCHAYA GAZETA criticizes PRAVDA UKRAINY for the call for a "resolution of the Crimean problem once for all... imposition of the direct rule of the president of Ukraine on the peninsula."

Latest Decrees of Crimean Supreme Council

Decree Calls for Dismissal of Official

944K2367B Simferopol KRYMSKIYE IZVESTIYA in Russian 21 Sep 94 p 1

["Decree of the Supreme Council of Crimea: On Leadership of the Office of Public Affairs of the Government of Crimea"]

[Text] The Supreme Council of Crimea decrees that:

In connection with the flagrant violations of labor obligations in the period 12-13 September 1994 it expresses no confidence in V.N. Minin, leader of the Office of Public Affairs of the Government of Crimea, and demands of Yu.A. Meshkov, president of the Republic of Crimea, that he dismiss him from office in accordance with current legislation.

[Signed] S. Tsekov, chairman of the Supreme Council of Crimea
City of Simferopol
15 September 1994
No 182-1

Decree on Law on Government

944K2367C Simferopol KRYMSKIYE IZVESTIYA in Russian 21 Sep 94 p 1

["Decree of the Supreme Council of Crimea: On the Draft Constitutional Law of the Republic of Crimea 'On the Government of Crimea'"]

[Text] The Supreme Council of Crimea decrees that:

1. The constitutional law of the Republic of Crimea "On the Government of the Republic of Crimea" be adopted in its first reading.

2. The Standing Commission of the Supreme Council of Crimea for Constitutional Development, Legislation, Legality, and Law and Order revise the bill with regard to the amendments and proposals that have been submitted and present it for consideration by the Supreme Council of Crimea.

[Signed] S. Tsekov, chairman of the Supreme Council of Crimea
City of Simferopol
14 September 1994
No 180-1

Decree on Agreement to Negotiations

944K2367D Simferopol KRYMSKIYE IZVESTIYA in Russian 21 Sep 94 p 1

["Decree of the Supreme Council of Crimea: "On the Appeal of the President of the Republic of Crimea"]

[Text] Having considered the appeal of the president of the Republic of Crimea, the Supreme Council of Crimea decrees that:

It consents to begin negotiations with the president of the Republic of Crimea on an end to the constitutional crisis, provided that the president of the Republic of Crimea cancel the unlawful edict on suspension of the activity of the Supreme Council of Crimea and the local councils of people's deputies and other edicts contrary to the constitution and laws of the Republic of Crimea.

[Signed] S. Tsekov, chairman of the Supreme Council of Crimea
City of Simferopol
12 September 1994
No 173-1

Executive Appointments Edict Countermanded

944K2367A Simferopol in Russian 21 Sep 94 p 1

["Decree of the Supreme Council of Crimea: On the Edict of the President of the Republic of Crimea 'On Appointment of Leaders of State Executive Power in the Districts and Cities of the Republic of Crimea'"]

[Text] On the basis of Articles 4 and 111 of the Constitution of the Republic of Crimea the Supreme Council of Crimea decrees that:

1. Edict No. 102/94 of the President of the Republic of Crimea "On Appointment of Leaders of State Executive Power in the Districts and Cities of the Republic of Crimea" of 6 September 1994 shall be deemed contrary to the Constitution of the Republic of Crimea, without legal validity, and not subject to execution by state authorities, enterprises, establishments, and organizations, or citizens of the Republic of Crimea.

2. The chairmen of city, district, and city of Simferopol district executive committees of the councils of people's deputies shall continue to discharge their duties.

[Signed] S. Tsekov, chairman of the Supreme Council of Crimea
City of Simferopol
13 September 1994
No 176-1

Yalta Decision on Anticholera Measures

944K2368A Simferopol KRYMSKAYA GAZETA in Russian 21 Sep 94 p 1

["Decision of the Greater Yalta City Council of People's Deputies: On Measures for the Prevention of Cholera and Other Acute Intestinal Infections on the Territory of Greater Yalta"]

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[Text] In connection with the adverse epidemiologic situation in Crimea with respect to cholera, and for the purpose of prevention of this disease on the territory of Greater Yalta, the city council of people's deputies **has resolved:**

1. Enterprises and organizations, regardless of form of ownership, shall conduct before 22 September 1994 sanitary cleaning and trash removal from the entire adjacent territory: for enterprises and organizations within a radius of 100 meters, and for points of sale—within a radius of 10 meters.

2. Heads of enterprises are hereby notified of their personal responsibility for carrying out Point 1 of this decision.

3. The city executive committee (V.F. Usachev) is hereby instructed to:

3.1. Resolve the question of allocating money to budget organizations for transporting trash from adjacent territories;

3.2. On 22-23 September 1994 organize an inspection regarding implementation of Point 1 of this decision and take appropriate reactive steps against officials of enterprises and organizations who have not complied with these requirements, including suspension of the enterprises' and organizations' activities.

4. Deputies of the Alupka City Executive Committee and rural councils of people's deputies are hereby instructed to conduct appropriate measures for prevention of acute intestinal infections on the territories within their authority.

5. This decision shall be published in the mass media.

[Signed] City Council Chairman V. Usachev

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Belarus

Violations of Lithuanian Airspace Explained

WS2309091294 Minsk BELAPAN in English 1600 GMT 22 Sep 94

[Text] As it was reported, on September 19, the Ministry of Foreign Affairs of Lithuania handed over a note of protest to the Belarusian foreign office in view of the Belarusian Armed Forces' aircraft's illegal crossing Lithuania's air space on September 15. According to information received, the Ministry of Defense of Belarus has sent an explanatory note to the Belarusian Foreign Ministry. The note, in particular, reads that the air borders in the area where, in the Lithuanian side's opinion, the illegal crossing took place do not coincide with the ground Belarusian-Lithuanian frontier. Belarus' aircraft that made training flights from the airport at Pastavy had to fly over the territory of Lithuania when making a landing because the airfield is situated close to the state frontier. But, even in that case, the air frontier between the two states was not crossed. The document also reads that the question of non-coincidence of the air frontier with the ground one was the subject of talks between the concerned departments of Lithuania and Belarus on March 26 last year and April 1 this year. But the sides agreed that the problem may be settled only after Belarus and Lithuania sign an agreement on the state frontier.

Official Comments on Democratization of Army

WS2309094794 Minsk BELAPAN in English 1600 GMT 22 Sep 94

[Quotation marks as received]

[Text] A delegation of the Ministry of Defense of the Republic of Belarus took part in a seminar on the problems of democratization, which was held in Oslo. The forum was organized by the Headquarters of the U.S. Land Forces in Europe, the International Organization for Applying Scientific Knowledge jointly with the Norwegian Institute for International Research. The seminar was attended by representatives of the Baltic countries, Russia, Belarus, countries of Central Europe.

According to Lieutenant Colonel Alyaksandr Mushta, a member of the Belarusian delegation, among the questions that were discussed in Oslo there was the problem of people's control of armed forces. In this connection the participants of the forum considered the problems concerning the role and place of armed forces in the political life of a state, their relations with parliaments, various public organizations. "It is necessary to lead the conversation towards establishing people's control over armed forces, A. Mushta said in an interview to a BELAPAN correspondent, at the same time armed forces are a political institution, an integral part of the state, which is destined to a rather concrete political aim - defense of state security. At present servicemen take part in elections, sit at parliaments, i.e. one can speak about a comparative political independence of the army. To allow its absolute political independence, to create conditions under which the army will take upon itself new uncharacteristic functions means to condemn the country to dictatorship. At the same time the real people's control may be only if there are at least two preconditions in the country: A mature civilian society which only begins shaping in the country, and a normal provision of the army".

The participants of the seminar also considered the problems of planning military policy, arrangement of joint exercises, joint participation in peace-making operations, relationship between the army and mass media.

Leadership, CE Team Discuss Cooperation

WS2209132794 Minsk BELAPAN in English 1200 GMT 22 Sep 94

[Text] Chairman of the Committee of Ministers of the Council of Europe (CE) Stanislav Daskalov and CE Secretary-General Daniel Tarshys have completed their visit to Belarus. During the visit they were received by President Alyaksandr Lukashenka, Chairman of the Supreme Soviet Myacheslaw Hryb, Prime Minister Mikhail Chyhir, met the Belarusian prosecutor general, the first deputy minister for foreign affairs, and the acting minister of justice. In the course of these meetings they discussed problems concerning Belarus' joining the Council of Europe as a full-fledged number, as well as the problems of cooperation.

According to S. Daskalov, Belarus accepted a proposal by the CE Committee of Ministers to work out a program of cooperation which will include the aid Belarus is in need most of all.

As is generally known, the Council of Europe, an international organization comprising 32 states of West Europe, is occupied with the problems of democracy, human rights, and legislation. The current visit of the CE leaders to Belarus, as well as the previous visits to Ukraine and Moldova, were prompted by the wish to help the countries that are following the path of democratic transformations to become full members of the "European family." According to the representatives of the CE, the adoption of the constitution, the first presidential elections, as well as the elections for the Supreme Soviet, scheduled for March 1995, are evidence of the fact that the Republic is really moving toward democracy. In the near future, the CE will send special experts to Belarus to find out whether the legal grounds in the country meet the standards the Council of Europe demands from the countries applying for membership. According to Daniel Tarshys, under the influence of the Council of Europe Latvia had to review its citizenship law, which infringed upon the rights of national minorities in that country.

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Japanese Team Arrives; Nuclear Safety Pact Expected

WS2309085594 Minsk Radio Minsk Network in Belarusian 0300 GMT 23 Sep 94

[Text] A delegation from the Japanese Foreign Ministry has arrived in Belarus on a working visit. In the course of their visit, members of the delegation will discuss issues concerning work of the Committee for Nuclear Nonproliferation, which was established last year by the two countries' governments. As a BELINFORM correspondent has learned, the Belarusian State Nuclear Industry Inspection [Derzhpromatomnahlyad] and the intergovernmental committee are to sign an agreement, according to which Japan will supply Belarus with equipment to create a system of physical protection of fissionable materials located on the territory of the Republic.

Lukashenka Issues Edict on Consumer Goods

LD2209213594 Moscow ITAR-TASS World Service in Russian 1652 GMT 22 Sep 94

[By BELINFORM correspondent Vladimir Glod for TASS]

[Text] Minsk, 22 Sep—A whole range of causes, including a drop in the production of consumer goods, unjustified rises in their prices, poor management of resources, and others have brought about a deterioration in the state of the Belarus consumer market. President Alyaksandr Lukashenka today issued a special edict to reverse the situation.

The document restricts trade charges added to release prices for consumer goods. These goods are to go into retail trade through no more than one wholesale intermediary. State enterprises and organizations are instructed not to sell these goods to those nonstate-owned economic entities that have no retail outlets.

The presidential edict grants the trade minister the right to suspend decisions of local trade management bodies that contravene the existing legislation, and to withdraw from any economic entity special permits for retail trading and trade and production activities for gross violations of laws on trade. The Ministry of State Property and Privatization has been instructed to ensure the implementation of the program for privatizing state-owned trade enterprises before the end of the year.

Lukashenka Seeks Compromise Over Deputies' Mandates

LD2209175394 Moscow INTERFAX in English 1614 GMT 22 Sep 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] President Alyaksandr Lukashenka has asked the Presidium of the Supreme Soviet not to rush a decision on the removal of mandates from deputies taking up government jobs.

Under the Constitution, government officials are banned to run for parliament while in office.

Parliamentary sources say Lukashenka who was involved in a meeting by senior parliamentary officials on Wednesday had also asked for the bills on presidency and government to struck off the agenda of the new session on September 27 because of being raw.

He also warned against confrontation with the president promising not to call an early election in exchange.

The presidium passed a resolution calling on deputies to start working on a professional basis.

From next Tuesday, the parliament will hold plenary sessions one week in a month and work in commissions and constituencies two weeks until it expires next spring. This can help it respond quickly to the president's legislative initiatives in the course of economic reforms.

Many say the latest decision will makes senseless Lukashenka's own initiative for presidential decrees to be given the force of law until 1996, something that he wanted to unveil at the new session.

'Democratic' Forces To Establish Unified Bloc

WS2309085994 Minsk Radio Minsk Network in Belarusian 0300 GMT 23 Sep 94

[Text] A session of the Consultative Conference of Democratic and Patriotic Forces of Belarus has been held in Minsk. Representatives of political parties comprising the consultative conference issued a statement regarding their intention to unite in a unified electoral bloc in the framework of the consultative conference for the parliamentary elections. In this regard, participants in the session appealed to the Belarusian Popular Front [BNF], and particularly to its chairman Zyanon Paznyak, to join the electoral democratic bloc. It is expected that the BNF will present its response during the next session of the consultative conference, which will be held on 26 September.

Ministries Compile Guide for Potential Investors

WS2209145094 Minsk BELAPAN in English 1200 GMT 22 Sep 94

[Text] The ministries of economy and finance together with the European Organization for Economic Cooperation and Development (OECD) have completed their work on a reference book entitled "Investment Guide for Belarus." At a presentation of the book, held on September 21, Deputy Prime Minister Syarhey Linh pointed out that the government attached great importance to the guide and viewed it as "an important step in the cause of informing would-be investors of the economic and political situation in the country." According to him, lack of such information was a considerable obstacle to investing in Belarus. An OECD representative declared that as a result of the appearance of such a guide, new opportunities opened for investing in the economy of Belarus.

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Industrialists Criticize Anticrisis Document

WS2209140794 Minsk BELAPAN in English 1200 GMT 22 Sep 94

[Text] Having read the program of urgent measures for overcoming the crisis, Belarusian industrialists maintain that a number of their relevant proposals for improving the economic situation in the country were disregarded. Discussing the draft program at a session of the Council of the Belarusian Scientific and Industrial Association [BSIA], which was held on September 21, members of the BSIA Executive Directorate, managers of large industrial enterprises, pointed out that the document contained a number of measures favoring industrial development—reduction of the tax load from 30 to 22 percent, stimulation of export-import operations by means of taxes, and others.

At the same time, the program is aimed at strengthening the system of state regulation and control over enterprises' activities, which may reduce to naught the declared market-oriented transformations.

In the opinion of the participants in the session, the draft program, the third in succession, is a step ahead as compared to the previous ones. At the same time, it contains conflicting principles, and does not give an answer to the main question: What economic model Belarus is going to build.

According to the BSIA Executive Directorate, the government is working now on a new version of the program. As for industrialists, they intend to continue their work at parliamentary permanent committees for promoting their proposals.

Moldova

Cabinet Approves Snegur's Foreign Policy Concept

LD2209184194 Moscow INTERFAX in English 1614 GMT 22 Sep 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] The government met in session on Wednesday to approve of the foreign policy concept, drawn up on instructions from President Snegur.

Foreign Minister Mikhail Popov has said the concept provides for a clear-cut foreign policy of fostering Moldova's statehood and sovereignty and enhancing its role in the international scene and cooperation with all states in both the West and the East.

Of particular importance are relations with the CIS countries, something Kishinev [Chisinau] will seek to foster and develop. Moldova wishes equitable relations of partnership with neighboring Romania.

President Snegur's international affairs adviser P. Deskal has said Moldova confirms its commitment to the rules and principles of international relations laid down by the United Nations Charter, the Helsinki Accords and other basic treaties of international importance.

Measures to enhance Moldova's independent and sovereignty and its establishment as a factor for regional stability is the chief foreign policy priority. Equitable and friendly relations with all democratically-oriented countries are going to be developed. With Romania and Ukraine there will be a special relationship, as these countries are Moldova's neighbors and share many traditions.

Relations with countries of priority interest will be made more dynamic to gain their support for democratic processes and economic reforms in Moldova. The list of such countries includes Russia, Belarus, the United States, France and Germany. Bilateral relations with countries in Central and Easter Europe will be intensified.

Moldova is going to be active in the United Nations the CSCE, the Organization of Economic Cooperation, the Black Sea countries, and other international and regional organizations within the framework of the Partnership for Peace program.

There are plans for integration in the European Union, the Council of Europe and closer cooperation with leading financial and economic international organizations.

The concept was handed over to parliament for final approval. IF Note: Moldova has been recognized by 134 countries and has diplomatic relations with 977 and trading and economic relations with more than 70. Moldova is a full-fledged member of the United Nations, the CSCE, the CIS and many other international organizations. It has signed more than 40 international conventions and agreements on cooperation in various fields, the economy, human rights, nature conservation and so on, as well as a number of regional ones, for instance, for cooperation in the Black Sea area.

Snegur Wants Lebed To Remain 14th Army Head

LD2209202994 Moscow ITAR-TASS in English 1907 GMT 22 Sep 94

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] September 22 TASS—Moldavian President Mircea Snegur has favoured keeping General Aleksandr Lebed as commander of the 14th Russian Army in the Dniester region, according to a presidential press service report, the head of the Moldavian state said in an interview with the London newspaper "THE TIMES".

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"General Lebed is in a position to ensure order in the army, which is extremely important, since the army has a colossal arsenal of weapons, which should not fall into the hands of separatists," Mircea Snegur said. "Otherwise peace and security in the region will become highly doubtful," he said.

Mircea Snegur specified that he "welcomes the intention of General Lebed and Commandant of the 14th Army Colonel Bergman to fight against corruption in the Dniester region, but do not concur with them in their support for separatism, as a phenomenon, condemned by the international community. According to the Moldavian head of state, after the 14th Russian Army's withdrawal, Russian officers living in Tiraspol can continue service in the National Army of Moldavia [Moldova] on contract basis.

Snegur To Address UN on Russian Pullout

LD2209212594 Moscow ITAR-TASS in English 1906 GMT 22 Sep 94

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] September 22 TASS—Moldovan President Mircea Snegur will head the republic's delegation which is to leave for New York on September 28 for taking part in the session of the U.N. General Assembly. Snegur will deliver a speech on the situation in Moldova and the pace of political and economic reforms, Moldovan Foreign Ministry told ITAR-TASS today.

From among items on the session's agenda, Moldova, first of all, is interested in discussions on such topics as the withdrawal of foreign troops from territories of independent states, Tudor Pantiru, Moldova's permanent representative in the U.N.O., said. He clarified that Kishinev is interested in gaining support from the international community on the withdrawal of the 14th Russian Army from the Dniester region.

The delegation will discuss the U.N. General Assembly resolution on emergency aid to Moldova, which suffered from a natural disaster, with representatives of other countries.

Moldova intends to participate in discussions on human rights issues. According to Pantiru, by this he means violation of human rights in the Dniester region, authorities of which have proclaimed an unrecognized by anyone republic there, and, according to official Kishinev, are oppressing the population.

Among economic items on the U.N. General Assembly Moldova, above all, is interested in problems of reforms in countries with the transitional economy.

During the session, Mircea Snegur is expected to meet U.N. Secretary General Butrus Butrus-Ghali, other heads of organizations and representatives of U.S. business circles.

Luchinskiy Hopes Russian Army Withdraws Soon

LD2209205594 Moscow INTERFAX in English 1844 GMT 22 Sep 94

[Text] Chairman of Moldovan Parliament Petr Luchinskiy said he hoped that the initialled agreements on withdrawal of the Russian 14th Army from the republic would be signed in the near future. He said the Moldova leaders had examined the initialled agreements and given their approval. The agreements are currently being discussed by the Moldovan government and the Defense Ministry after which the documents will be ready for signing.

Luchinskiy said at a press conference in Kishinyov [Chisinau] today that Moldova wanted the documents to be signed as soon as possible and that following this the clock would start ticking on the Russian 14th Army's withdraw of servicemen and armaments from Moldova.

Counsellor of the Russian Embassy to Moldova Anatoliy Krikunov told Interfax that the documents may be signed by Presidents Boris Yeltsin and Mircea Snegur during the CIS summit in Moscow scheduled October 21.

Country Dubious About 14th Army Withdrawal

MK2209100094 Moscow NEZAVISIMAYA GAZETA in Russian 22 Sep 94 p 3

[Report by Natalya Prikhodko in the "Moldova" column: "Moscow Would Like To Backtrack? Kishinev Is Concerned Over the Fate of the Agreement on the Pullout of the 14th Army"]

[Text] The agreement on the withdrawal of the 14th Army within three years, adopted at the 10th round of the Russian-Moldovan negotiations, is now being considered by the governments of both countries. Its further fate is already causing concern, Dmitriy Dyakov, chairman of the Moldovan parliamentary foreign policy commission, admitted. Recently, he told NEZAVISIMAYA GAZETA's correspondent, grounds for alarm have emerged.

Thus, in his numerous statements 14th Army Commander Aleksandr Lebed has categorically spoken out against its pullout within the established time span. His statements were naturally seized upon by radical Russian circles. Representatives of Russian officialdom too, however, have suddenly started talking about the need to clarify some financial and other points of the agreement. But these should have been discussed and settled before the agreement was inked, Dmitriy Dyakov noted. Indications are that some people in Russia would like to backtrack.

In this context attempts are being observed also to reorient the world public. For example, a European Council representative who had visited Moldova told the EC spring session that Moldova apparently does not at all insist on the foreign army's being withdrawn from its

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territory. The aggravation around this problem prompted the Moldovan parliamentary commission chairman to deny such an idea at a recent EC political commission session. Dmitriy Dyakov confirmed the consistency of the Moldovan leadership's position on this question. And, while welcoming Russia's entry, among other CIS countries, into the EC, he proposed that a guaranteed withdrawal of the 14th Army be envisioned as a mandatory precondition for Russia's admission. Actually the EC earlier proposed such a term for the pullout of Russian troops from the Baltics. This, however, was strongly opposed by Russian representatives.

Stanislav Daskalov, chairman of the EC ministers committee, and EC General Secretary Daniel Tarshys spoke rather diplomatically on the question of EC pressure on the Russian Federation: "The EC welcomes the agreement reached between Moldova and Russia on the pullout of the 14th Army from the Dniester region," Daniel Tarshys stressed. "Any country should decide for itself whether it wants to have a foreign army on its territory."

But on the whole, Dyakov noted, the EC was sympathetic toward Moldova's proposal. True, at the EC fall session, due to open in early October in Strasbourg, he does not intend to return to this subject—that is, of course, if no unwarranted statements, similar to those cited above, are made with respect to Moldova. Generally speaking, it is more natural for Moldova to rely not so much on the support of the European Community as on the possibility of reaching agreement with Russia itself, Dmitriy Dyakov summed up. And he also expressed the hope that, just as it was originally planned, the agreement on the pullout of the 14th Army will be signed at the upcoming meeting of CIS heads of state.

Nonetheless it appears that in dealing with its internal problems, Moldova does not quite rely on assistance from Moscow. For instance, commenting in an interview with LE MONDE on prospects for resolving the Dniester conflict, in which Russia has come forward as a guarantor of peace, Moldova President Mircea Snegur favored the creation of a quadripartite settlement mechanism with the participation of Ukraine and Romania. In another interview the president noted that he also rather counts on NATO support in overcoming the separatist trends.

Parliamentary Leaders Meet With CE Representatives

AU2309075394 Chisinau BASAPRESS in English 1900 GMT 20 Sep 94

[Text] Chisinau BASAPRESS, 20/9/1/1994—Yesterday's meeting between parliamentary factions and Council of Europe (CE) representatives among other things discussed the Prosecutor's Office letter on suspending the activity of several political parties and movements whose statutes contradict the new Constitution. Vladimir Solonari, of the Socialist Unity Faction and chairman of the Parliamentary Commission for Human Rights, told BASA that during the meeting he expressed his disagreement regarding this letter and called it unwelcome. "We hope that the Justice Ministry will not resort to extreme measures. Mistakes are inevitable in the process of democratic reforms, but the ban on some parties is inadmissible," Solonari said. Referring to the situation of national minorities, he said that he is satisfied with the manner in which this problem was settled in the case of Gagauzians.

Vasile Nedelciuc, one of the leaders of the Congress of intelligentsia Parliamentary Faction, stated to BASA that he tried to explain the CE representatives that "in Moldova, there is not any political party plotting against its statehood." Sergiu Mocanu, of the Christian Democratic People's Front (FPCD), relayed that he informed the CE representatives about the leadership's attempts to outlaw the FPCD. "It is true that our ideal is that Romanians of this area live in a single state, but the ideal cannot be called crime." Mocanu mentioned that the FPCD favours Moldova's sovereignty and independence and its joining of the CE. He believes that the ideal of unification can be fulfilled following international laws, the Helsinki Charter, documents of the Vienna reunion and the spirit of the agreement on Germany's unification. Mocanu added that during the meeting he talked about the violations of human rights in eastern districts and especially about persecution of Romanians in this region.

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Kazakhstan

Nazarbayev Reconciles Differences With Legislature

LD2209175794 Moscow INTERFAX in English 1614 GMT 22 Sep 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Kuanysh Sultanov, deputy chairman of the Kazakh parliament, told Interfax that President Nursultan Nazarbayev had met with deputies of the Supreme Soviet on September 20 and suggested concluding an accord on improved interaction between the executive and legislative branches. All but five or six deputies supported the idea. The accord was signed by Nazarbayev and Speaker Abish Kekilbayev.

The accord declared that any confrontation between the branches of authority could result in serious consequences for society. For this reason the two branches regarded coordination as the basic condition for maintenance of social stability and pulling the country's economy out of crisis.

Sultanov said that the relations between the new, professional parliament of Kazakhstan and the government had not been very good. He recalled that Prime Minister Sergey Tereshchenko had made impolite remarks on unduly high wages of the deputies while parliament had expressed in its June statement lack of confidence in the government's economic policy. IF Note: A serious political crisis was averted by Nazarbayev who went on the national television on June 9 to reject the demand that the government should resign and say that he had given the Tereshchenko government a free hand for 15 months to carry out a program of tough anti-crisis steps. Numerous experts believe, however, that the lifting of parliamentary immunity of Mars Urkumbayev, one of the authors of the anti-crisis program, can result in renewed tension between the executive and legislative authorities.

Nazarbayev on Caspian Oil Consortium

LD2209221594 Moscow ITAR-TASS World Service in Russian 2117 GMT 22 Sep 94

[By ITAR-TASS correspondent Aleksey Bukalov]

[Text] Rome, 23 Sep—Kazakhstan positively assesses the proposal of the Russian party to use the resources of the Caspian Sea to meet the interests of all countries in the region. Kazakh President Nursultan Nazarbayev, on an official visit here, made this statement in response to a question from an ITAR-TASS correspondent.

In connection with Russian Foreign Minister Andrey Kozyrev's clarification of Russia's position on the international contract to develop the oil resources of the Caspian shelf that was recently concluded in Baku, the Kazakh president stressed the importance of this problem. There are now five independent states situated on the shores of the Caspian and each of these, unfortunately, for the time being, is trying only to "hog the blanket" in the use of the natural wealth of this region, N. Nazarbayev said.

Kazakhstan intends to make efficient use of the resources of its Caspian shore. A special consortium for prospecting and developing the shelf of the Caspian Sea, called "Kazakhstankaspiyshelf", was set up in December 1993. The Italian company AGIP is among the members of this association. The president of Kazakhstan considers the formation of the consortium was Kazakhstan's affair as a sovereign state and that it fully conformed to the international law and world experience.

The unique resources and the ecological system of the Caspian Sea require a caring attitude and collective protection from all states in the area. Kazakhstan is conscious of its responsibility and is ready to participate in a relevant treaty that is currently being drawn up, said the president.

Nazarbayev Relieves Deputy Premier Zhabagin

LD2209205194 Moscow INTERFAX in English 1844 GMT 22 Sep 94

[Text] Kazakh President Nursultan Nazarbayev issued a decree Thursday to relieve Asygat Zhabagin of his duties as vice prime minister following Zhabagin's request. The Kazakh prime minister's press secretary, Amirzhan Kasenov, told Interfax that the move was the result of a series of reshuffles in the government and reductions in its staff.

Kasenov dismissed the allegations that the true reason for the decree was tied to fighting corruption in the top echelons of state power launched by Kazakh Prosecutor General Zharmakhan Toyakbayev at a parliamentary session in the autumn of 1993. Among other high-ranking officials abusing their positions, Toyakbayev had named Zhabagin.

Zhabagin was responsible for the fuel and energy complex and solving day-to-day economic issues. This summer, Nazarbayev reorganized the Fuel and Energy Resources Ministry and sacked its minister, Kadyr Baikenov.

International Air Show To Be Held 14-17 Oct

LD2309105594 Moscow ITAR-TASS in English 0820 GMT 23 Sep 94

[By ITAR-TASS correspondent Fedor Ignatov]

[Text] Alma-Ata [Almaty] September 23 TASS—Kazakhstan will hold for the first time an aerospace show in the Central Asian region on October 14-17. It will be called "Almaty Aerospace '94". The show is organised by Kazakhstan's aerospace agency.

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More than 100 enterprises, organizations and firms have already expressed interest in the show, including the ground show of aviation equipment, and more applications for participation are coming in, Rymbek Torgayev, director-general of the aerospace show, told ITAR-TASS.

The German corporation Deutsche Aerospace is among foreign participants, the director-general said. The corporation has already concluded an agreement on the assembly of its stands in the palace of the republic. During the show, the corporation's representatives will hold seminars and will discuss the possibility of cooperation with Kazakhstan enterprises of what was the defence complex.

The Russian institute of medico-biological problems, Russian, Uzbek and Kazakh aircraft repair shops and enterprises of communications and telecommunications have confirmed their intention to participate in the show. The show of the aircraft equipment is planned to be held in the Alma-Ata airport and in the Alma-Ata suburb of Burundae where demonstration flights will be performed.

The organizers of the show expect the participation of the new passenger airliner TU-204 of the Tupolev design office, of IL-96m, IL-114 and IL-103 aircraft of the Ilyushin design office, YAK-52, YAK-58 and other aircraft made in the Yakovlev design office. There is also an arrangement about participation of "Russkiye Vityazi" (Russian warriors) aerobatics groups in the fete.

The joint-stock company Kazakhstan Commercia agreed to be the general sponsor of the show. The Russian company Hermes Aerospace will supply fuel.

Kyrgyzstan

Nazarbayev, Italy's Berlusconi Sign Joint Declaration

LD2209213894 Moscow ITAR-TASS in English 2036 GMT 22 Sep 94

[By KAZTAG-TASS correspondent Amangeldy Akhmetaliyev and ITAR- TASS correspondent Alexey Bukalov]

[Text] Rome September 22 TASS—Kazakhstan's President Nursultan Nazarbayev met Italian Chairman of the Council of Ministers Silvio Berlusconi on Thursday.

The two leaders discussed a broad spectrum of bilateral and international affairs. The focus of the talk was on the two countries' cooperation, in particular investment of Italian capital and technolofies in Kazakhstan's projects.

After the talk in the Rome's Madama Villa was over, President Nazarbayev and Premier Berlusconi signed a joint declaration on principles of Kazakh-Italian relations. Foreign ministers of the two countries signed an economic cooperation declaration, agreements on mutual investment protection and on abolition of double taxation, protocols on foreign ministries' consultations, and scientific and technological cooperation accords.

Election Commission Wholly Typifies of Society

LD2309093394 Moscow ITAR-TASS in English 0840 GMT 23 Sep 94

[By ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek September 23 TASS—The entire spectrum of political life and social structure of the Kyrghizian [Kyrgyz] society is represented on the Central Elections Commission, set up to hold a referendum in Kyrghizia [Kyrgyzstan]. A decree, signed by President Askar Akayev, naming the members of this commission, was published here today.

Its fifteen members represent three political parties, several women's and youth organisations, associations of intellectuals, farmers and businessmen, workers and office employees. There are no representatives of the extremist forces and of the biggest Kyrghizian party—the Party of Communists, on the commission. Local polical analysts believe this will give the opposition a chance to accuse the authorities of the desire to set up a "pocket" parliament with the help of an "obedient central elections commission".

Referendum on Constitutional Changes Set for 22 Oct

LD2309092394 Moscow ITAR-TASS in English 0839 GMT 23 Sep 94

[By ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek September 23 TASS—A nation-wide referendum on amendments to the Kyrghizian [Kyrgyz] Constitution will be held in the republic on October 22. This date was fixed by President Askar Akayev's decree published here today.

Two constitutional amendments will be put to the vote. The first one says that all amendements and supplements to the Kyrghizian Constitution and to the laws of the republic, as well as other important decisions affecting the country's life, may be put to a referendum. The second amendment points out that "the legislative power in the Kyrghiz Republic shall be exercised by a bicameral supreme soviet—a 35-man legislative assembly, which shall work on a permanent basis and shall be represent the interests of all the population of the republic, and a 70-man assembly of people's representatives which shall meet in sessions and shall be elected to represent territorial interests".

The voters will have to give a positive or negative answer to these two questions. The presidential decree says that the referendum shall be deemed valid if more than 50 per cent of the registered electors take part in the voting,

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and a decision will be deemed adopted if more than 50 per cent of the participants of the referendum cast their ballots for it.

All this means that the referendum will automatically dissolve the present parliament and will reform the 105-man one-chamber parliament, stipulated by the present Constitution, into a bicameral body. President Akayev said the day before that, in his opinion, gifted and professionally able people should be selected to the Legislative Assembly, working on a permanent basis, while the Assembly of People's Representatives, which will include the regional elite, should resemble the British House of Lords.

"let's be honest," Akayev stated. "All the internal state conflicts in the post-Soviet republics were engendered by the urge of the regional elite for power. So let's give them a chance to 'fight' in one of the parliament's houses, not in all the country."

Elections to local councils will take place simultaneously with the referendum.

Akayev Compensates Bread, Flour Price Rises

LD2309105094 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 22 Sep 94

[Text] The Kyrgyz bread joint stock company has increased prices for bread by 19 percent and flour by 12 percent. The price for bakery products, rolls, and buns will increase by 15-20 percent. The price of a high-quality 50-gram loaf will be three soms, one loaf of first quality bread will cost one som 90 teyins, and a loaf of bread made of second quality flour will cost one som 60 teyins. President Akayev has decreed that compensation of 10 soms be paid to pensioners, university students, technical and vocational schools, and large families. The government instructs investigatory bodies to exercise tough control over [word indistinct] for bread.

Tajikistan

Border Violations Continue Despite Cease-Fire

LD2309093694 Moscow ITAR-TASS in English 0907 GMT 23 Sep 94

[Text] Moscow September 23 TASS—"After the signing of a ceasefire agreement the situation has not changed much on the Tajik-Afghan border," Major General Aleksandr Baranov, chief of staff of the Russian frontier guard troops, said in his statement for the mass media on Thursday. According to Baranov, despite the signing of an agreement on the temporary ceasing of fire and other hostile actions, the situation on the Tajik-Afghan border and around areas of deployment of the Russian frontier guard troops in Tajikistan continues to be complicated.

According to the existing information, leaders of the movement for the Islamic Renaissance of Tajikistan are urging opposition field commanders to step up combat operations on the border and in the rear zones in order to get entrenched in tactically important areas before the arrival of U.N. observers. For this reason the number of attempts to penetrate Tajikistan by crossing the Tajik-Afghan border, made by Tajik armed groups, has perceptibly increased. Between September 17 and 21 Russian frontier guards twice engaged in fighting with armed Tajik opposition groups. Fighters from the movement for the Islamic Renaissance of Tajikistan made eight attempts to cross the border and penetrate the Tajik territory at the sections of the Moscow and Khorgor frontier guard detachments (three attempts on September 19 and five attempts—on September 21). They repeatedly shelled the positions of Russian frontier guards from the Khorgor detachment and continue to lay mines on the roads, connecting the border area with the rear areas of the republic.

Opposition fighters are sending from Afghanistan more armed groups, weapons and ammunition to the area of the 12th and 13 frontier posts of the Moscow frontier guard detachment in order to hold a number of bases on the Shuroabad direction. After the losses they sustained they continue the redeployment and the improvement of their fortifications. An opposition group in that area is 150 men strong. Just recently another 60 fighters and Arab mercenaries joined it. They all came from Afghanistan.

"The statement of the Federal Frontier Guard service, dated September 20, says that we expect from leaders of the Tajik opposition and field commanders the termination of hostile actions. At the same time, we have enough strength and resources for resolutely curbing any extremist actions."

Mojahedin Killed in Clash on Afghan Border

LD2309055294 Moscow ITAR-TASS World Service in Russian 0445 GMT 23 Sep 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 23 Sep—Clashes between Russian frontier guards and a grouping of Tajik mojahedin of unestablished size occurred last night on one of the sectors of the 12th outpost of the Moskovskiy frontier detachment. During the short night battle, two mojahedin were killed. The force retreated to the frontier line where separate small groupings are taking cover, who have infiltrated from Afghanistan on occasion. Two Russian frontier guards were lightly injured during the repulsing of the attack.

Commenting on the situation on the Tajik-Afghan frontier, Lieutenant General Anatoliy Chechulin, commander of the Russian frontier troops in Tajikistan, said "that the opposition has intensified the armed sorties on the Tajik-Afghan frontier, directly counter to the agreements signed in Teheran on 16 September on a ceasefire. In the last week alone, Russian frontier guards have been forced to do battle 11 times with various groupings of the Tajik mojahedin."

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Activity of 'Drugs Shaykhs' Viewed

MM2209132594 Moscow PRAVDA in Russian 21 Sep 94 pp 1-2

[Report by correspondent Anatoliy Baranov: "Quiet Victory of Lesha Gorbatyy"]

[Text] Tajikistan—Tajiks have very little money. First, Moscow is not obliged to send its freshly printed rubles to Dushanbe since Tajikistan has not formally joined Russia's ruble zone, but it does not have its own currency since Tajikistan has not left the USSR's ruble zone. Second, even when there is paper money the Tajiks have nowhere to earn it—all industry is standing idle, agriculture is extremely unprofitable and inadequate, and trade is utterly disorganized.

But people need money and although you can deck yourself with red flags and talk all day long about communism, while commodity-money relations exist some kind of means of payment is needed. And this role has been assumed by raw opium, "modeling clay," which enters Tajikistan in abundance from across the Afghan border.

A kilogram of "modeling clay" costs 80,000 rubles [R] and when it crosses the Pyandzh in a smuggler's bag it increases in price approximately tenfold and in the border regions of Pamir is valued at R800,000. Having spent an hour flying in a Tajik airline company aircraft or on a Russian military transport helicopter to Dushanbe it increases in price to R2.5 million and when it reaches Moscow it sells for R10 million when it is sold wholesale and even more when it is divided into doses.

Afghanistan is prepared to accept anything you like in payment for opium—hardware, ammunition, flour, military materiel, gasoline, and diesel fuel. According to the "peacemakers," Badakhshan, whose population has doubled with the influx of refugees, and whose pastures and other agricultural land has been reduced, cannot feed itself and keep itself warm this winter. So convoys of trucks carrying food and fuel, part of which, if not most of which, is exchanged for drugs, go here at a risk to the lives of the two or three officers escorting them. The Russian Army rear services directorate carries out this international duty without complaint, which cannot be said of the border troops whose convoys travel through the mountains with an escort of armored personnel carriers and a sufficient number of soldiers to get through unscathed.

The main authority in Khorog is considered to be Lesha Gorbatyy, who has always engaged in smuggling, even when the USSR existed. He continues to engage in it, but in the present confusion he is flourishing and has grown very much stronger. He has his own armed forces, his own administration and his own, it must be said, quite firm order. After all, the general opinion is that he is driven not by sadism, not by the desire for power, but by the market, albeit a very "black" one. Today he controls a relatively calm sector of the border where, thanks to the massive infiltration of gunmen and military equipment, more narcotics pass through unnoticed, in a "secondary" way, than pass through the renowned Medellin. Lesha himself, they say, has boasted that he can bring an entire "Kamaz" truck loaded with raw opium into Osh.

Incidentally, the road to Osh, entirely controlled by Lesha Gorbatyy, is perhaps the busiest drugs route in these parts. After all, even after you have contrived to deliver drugs to Dushanbe or Garm, you have to think how to bypass customs control at the airport, while Kirghizia [Kyrgyzstan], which abounds in ground routes, thanks to the internal unrest—in contrast to the authoritarian and therefore strict regimes in Ashkhabad [Ashgabat] and Tashkent—is most suitable as a transfer base for drugs. Incidentally, the main consumer is not Russia or the CIS.

It is here that there lies in part the answer to the question of who stands to gain from the slow-moving civil war in Tajikistan. Today this is not only a "murky pool" in which civilian smugglers can easily melt away. It is also a social medium for recruiting any number of accomplices you require. Of course, today the entire border region of Tajikistan is to some extent the mafia's partner in crime. After all, even a respected doctor in the absence of medicines will readily prescribe you opium, which is indeed a help with many illnesses. And this "medicine" is in every home. Who will calculate that the quantity of raw opium crossing the border is thousands of times in excess of local drug addicts' requirements? Not to mention the fact that the loaded "Kamaz" with a value of 50 billion is only within the reach of the "Imperial" bank.

There is now doubt that the present leadership, which controls only Kulyab, Kurgan-Tyube, and Dushanbe by day cannot say anything articulate to the world community about the drugs smuggling and transit situation. Having delegated most of his powers to ministers, E. Rakhmonov is personally leading the defense of Tavil-Dara where, according to the Tajikistan Defense Ministry reports, about 700 untrained soldiers and "special" detachments transferred from Dushanbe are defending themselves against the same number of mojahedin from the ranks of Tajik refugees trained in Afghanistan. There is no talk of preparation for the winter, of the forthcoming presidential elections, or entry into the ruble zone, so what else can you ask busy people about? Smuggling?

This year Lesha Gorbatyy's people were arrested in far-off Canada. He has a whole collection of automobiles and at his order—he gives orders by a special combination of rounds from a Kalashnikov improved assault rifle and a Degtyarev-Shpagin heavy machine gun—his loyal men assemble immediately. He punishes and rewards In general he lives and god grant health to all those who are struggling for illusory power in Dushanbe. Khorog's opium shaykh is not interested in trivial matters.

The main contender in the elections, Abdumalik Abdulladzhanov, wants to show he has nothing to do with

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Emomali Rakhmonov's disillusionment with politics, or with the bloody clashes on the civil war fronts, the Islamic opposition, or the drugs shaykhs. He is Tajikistan's ambassador in Russia and there are grounds for believing that it is he who will be supported by President Yeltsin's administration at the forthcoming elections. E. Rakhmonov cannot fail to sense that and some people in Russia could see their own fate in his. First victory in the civil war and some hopes of stability and order and then the gangsterization of power, the collapse of the economy, and the inability to control a large part of his own territory.

The tragic neglect of the Tajik case is such that even a successful choice which could get everyone to the conference table can no longer of itself resolve all the contradictions. There is no guarantee that the Leninabad clan is able without outside aid to hold on to what for three years has been charging around in various directions without helm or sails. Tajikistan is faced with the need for an outside military presence which not only protects it from the penetration of the Afghan "conquerors" but also introduces internal order. This can still be done by Russia, which over this winter intends to supply a group of border guards with a full complement of equipment and men to close the border in the spring and by the summer will probably set about the question of military intervention in the internal affairs of independent Tajikistan.

Or in a while Russia itself will be on the verge of calling in peacekeeping forces from outside.

Turkmenistan

Deputy Foreign Trade Minister Appointed

LD2009091594 Ashgabat Radio Ashgabat Network in Russian 0200 GMT 20 Sep 94

[Text] By an edict issued by Saparmyrat Turkmenbashy, president of Turkmenistan, Comrade Khalmammed Orazmammedov has been appointed deputy minister of foreign economic relations; he has been relieved of his duties as first deputy minister of oil and gas.

Niyazov Merges Journals, Changes Chief Editors

LD2209124794 Ashgabat Radio Ashgabat Network in Russian 0200 GMT 22 Sep 94

[Summary] The Turkmenistan president proposed the merger of the EDEBIYAT WE SUNGAT journal with the TOKMAK journal. The proposal was adopted. EDEBIYAT WE SUNGAT will keep its name.

Tachmammed Jurdekov, who was the chief editor of TOKMAK, was appointed chief editor of EDEBIYAT WE SUNGAT and Hojamyrat Gochmyradov, the former chief editor of EDEBIYAT WE SUNGAT, was relieved of his duty in connection with his transfer to another job.

Uzbekistan

Supreme Council Adopts Law on Legislature

LD2209185194 Moscow INTERFAX in English 1641 GMT 22 Sep 94

[Text] The Uzbek parliament approved the draft law on Oliy- Mazhlis (the new legislative body of the republic) and the drafts of the Criminal, Procedural and Administrative codes.

Acting Chairman of the Uzbek parliament Erkin Khalilov said at its session today that the law on Oliy-Mazhlis conformed with the "spirit and the purposes of the Uzbek Constitution and its adoption will mark an important move on the way to building a law-governed state."

The law was adopted with 425 parliamentarians of the registered 500 voting for it.

Uzbek Minister for Justice Alisher Mardiyev said at the session that the register of crimes punishable by death in the new Criminal Code had been shortened from 30 to 12. These are rape with serious consequences, murder under aggravated circumstances, high treason, an assassination attempt on the president's life, genocide, and certain drug-related crimes. The death penalty will not be applied to women or people under age.

The maximum imprisonment term is 20 years. The Criminal Code no longer provides for expelling from the country as a punishment. Punishment for violating the environmental protection regime, circulating drugs and racist crimes was toughened. New provisions appeared in the Criminal Code as a result of organized crime appearing in Uzbekistan.

On September 23 the Uzbek parliament intends to consider draft laws on registering incomes, on natural resources and on holding elections to Oliy-Mazhlis.

Oliy Majlis Election 25 Dec

LD2309090894 Tashkent Radio Mashal in Uzbek 0800 GMT 23 Sep 94

[Text] The question of the election of the soviet of peoples deputies in oblasts, districts, and cities to the first convocation of the Oliy Majlis of the Republic of Uzbekistan has been tackled [by the Supreme Soviet]. According to this [decision], on 25 December of this year peoples deputies will be elected to the Oliy Majlis from the oblasts, districts, and cities. After this the participants of the session also approved a number of decrees of the president of the Republic of Uzbekistan and also some of the decisions of the presidium of the Supreme Soviet. The documents signed between Uzbekistan and Turkey were ratified, and changes were made to the structure of the Supreme Court of the Republic of Uzbekistan. The issues on the agenda were examined and a decision was adopted on the work of the Supreme Soviet. At the end of the session Erkin Khalilov, acting

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chairman of the Supreme Soviet, spoke on the work of the session. Islam Karimov, president of our republic, highly evaluated the activities of the peoples deputies and expressed his gratitude and wished success in their future work. With this the 16th session of the Supreme Soviet of the 12th convocation concluded its work.

Self-Sufficiency in Oil in 1 Year Predicted

LD2209172094 Moscow INTERFAX in English 1339 GMT 22 Sep 94

[Text] President Islam Karimov of Uzbekistan said his country would be able to produce all of the crude oil it consumes within 12 months.

Karimov told parliament today that great expectations had been placed on a new oil field at Mingbulak in Namangan region. "We speak little of it in the press because there are too many envious people who realize that the country's oil independence will help it head off any external pressure", Karimov said.

Karimov also called for developing consumer industries. He said Uzbekistan's annual need for grain was 3.8 million tons and the country had the resources to produce that amount.

The government allocated a total of 650,000 hectares of irrigated farmland and 500,000 hectares of dry-farming land under grain crops this year. The figure is expected to go up to 1 million hectares in 1995, with estimated grain yields of 35 - 40 tons per hectare considered feasible (this year's average yields ran at 25 - 26 tons per hectare - Interfax).

If the target is reached, Uzbekistan will be able to produce the grain it needs and cut out grain imports from neighboring Kazakhstan, Karimov said. Uzbekistan will import about 2 million tons of grain by the end of this year.

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Armenia

President on Differences Among Karabakh Mediators

LD2209171594 Moscow INTERFAX in English 1339 GMT 22 Sep 94

[Text] Speaking at festivities Wednesday marking the third anniversary of his country's independence, Armenian President Levon Ter-Petrosyan said there were serious differences between the sides involved in settling the Karabkah issue.

He said the CSCE, CIS, and Russia could not agree on who should play the central mediatory role. He said they lacked a united stand on the make-up of the separation forces. He said he regretted the fact that the mediators "seem less interested in the conflict than in the distribution of power after it is settled."

He said he was sure these problems could be surmounted and the international community would come up with a single program to settle the Karabakh problem. He said that any formula for a solution should be as follows: Separating forces from Russian or the CIS, possibly with the symbolic participation of other countries, plus CSCE and UN observers, plus a UN mandate.

Moscow Not To Give Up Mediatory Role

LD2209180694 Moscow ITAR-TASS in English 1544 GMT 22 Sep 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan September 22 TASS—Personal envoy of the Russian president, Vladimir Kazimirov, has called to streamline the activities of the CSCE Minsk Group in the process of Karabakh settlement. "Otherwise, Russia will raise the question of looking into its activities in a broader aspect. We have enough reasons and documents to do so," the Russian diplomat warned.

At the same time, Kazimirov stressed Russia's readiness "to continue cooperation with the CSCE Minsk Group for Karabakh settlement, but not at the expense of abolishing Russia's mediatory mission there."

Kazimirov believes that it is not contradictions between Russia and the CSCE, but rather some differences between the Russian Federation and several influential members of the Minsk Group which are at issue. "Not all Russian opponents are interested in the growth of the prestige of the Russian Federation in the Caucasus if the settlement of the Karabakh conflict is achieved with active participation of the Russian Federation," Kazimirov said. He did not rule out that Russia's partners place their own geopolitical interests above the interests of the Karabakh settlement itself.

The Russian envoy said that the question about Russia's seeking monopoly in the Karabakh settlement, raised by the CSCE, is not right from the point of view of concrete levers and mechanisms. Kazimirov pointed out that many of them are still being worked out and that the CSCE structure itself is still in the stage of formation.

Cease-Fire Violated on Border

NC2209151794 Yerevan Radio Yerevan in Azeri 1330 GMT 22 Sep 94

[Text] The Armenian Ministry of Defense Information Service has disclosed that the cease-fire agreement was violated last night. Azerbaijan's military subunits shelled the defense positions around Yeraskhavan in Araratskiy Rayon with artillery guns from 2100 to 2300. No one was hurt. Our border guards refrained from taking retaliatory measures. The same source said that the situation on the other parts of Armenia's border has been peaceful during the past three days.

Meanwhile, we have been informed by the Nagorno-Karabakh Defense Army Headquarters in Stepanakert that the situation in the Karabakh- Azerbaijan confrontation areas also was peaceful last night and today.

Russia's Zatulin Meets Ter-Petrosyan

LD2309105194 Moscow ITAR-TASS in English 1037 GMT 23 Sep 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan September 23 TASS—Konstantin Zatulin, chairman of the Russian state Duma's Committee for CIS Affairs and Relations with Fellow-Countrymen, today completed his brief visit to Yerevan.

"My task," he told ITAR-TASS, "was to congratulate our Armenian friends on behalf of duma Speaker Ivan Rybkin on their national holiday—the day of independence. Moreover, it was necessary to come here to break the ground for Rybkin's visit to Transcaucasia."

Zatulin met Armenian President Levon Ter-Petrosyan and had several meetings with speaker of the Armenian Parliament Babken Ararktsyan. "Our meetings were very frank," the Russian MP stated.

Georgia

Humanitarian Aid Transportation Discussed

LD2209204994 Tbilisi First Program Television Network in Georgian 1600 GMT 22 Sep 94

[Text] Government delegations from Armenia and Azerbaijan arrived in Tbilisi today. The delegations are headed by Gagik Martirosiyan and Asker Mamedov, deputy prime ministers of the republics. A working meeting was held at the Georgian Cabinet of Ministers. The Georgian Government was represented by Prime Minister Otar Patsatsia and Deputy Prime Minister Tamaz Nadareishvili.

Officials from the Transport Ministry, department of the Transport Police of the Interior Ministry, frontier

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guards, and the Customs Department, as well as representatives of the Poti and Batumi ports spoke about the current situation in transporting humanitarian goods intended for Armenia and Azerbaijan from Georgian sea ports. A power shortage, shortcomings of the existing communications system, outdated equipment, and lack of common instructions were said to be major problems. It was indicated that Armenia and Azerbaijan had to pay their debts promptly. The need for a joint action program for frontier troops and the inefficiency of information exchange were also pointed out.

The meeting was attended by representatives of the UN World Food Program.

In conclusion, Georgian Prime Minister Otar Patsatsia summarized the results of the meeting.

Documents on Setting Up Russian Bases Ready

LD2209133694 Moscow Russian Television Network in Russian 1200 GMT 22 Sep 94

[Report over video by correspondent M. Vardzelashvili; from the "Vesti" newscast]

[Text] The documents on setting up Russian military bases in Georgia, are ready, Eduard Shevardnadze stated at a meeting of the Georgian parliament. He stressed that the documents have not yet been signed by the parties. According to the head of state, it is necessary to choose the appropriate moment for this. According to the majority in parliament, the latest steps taken by Eduard Shevardnadze to settle the Abkhazian issue can solve this problem. Even representatives of the opposition have supported the head of state.

The results of the sociological poll conducted by the Institute of Demography and Sociological Research are of some interest: 38 percent of the respondents believe that Georgia needs dictatorship and, according to them, only in this way can the situation in the country change for the better. A total of 37 percent have a negative attitude to this idea and 24 percent abstained.

Tsereteli Scores Shevardnadze-Ardzinba Handshake

MM2209150594 Moscow KRASNAYA ZVEZDA in Russian 22 Sep 94 p 3

[Report by Vitaliy Denisov under "Facts and Commentaries Postscriptum" rubric: "On the Whole Georgian Parliament Supports Shevardnadze. In Particular It Criticizes Him"]

[Text] Tbilisi—"A truce between Georgians and Abkhazians is an historical necessity, and we must try to reach a peaceful solution to the conflict by any means," Eduard Shevardnadze, Georgian head of state, stated when reporting back to the Georgian parliament on the results of the talks held in Novyy Afon and Sochi.

He highly appraises the meetings with Abkhazian Supreme Council Chairman Vladislav Ardzinba, Russian President Boris Yeltsin, and Russian Federation Defense Minister Pavel Grachev. Opposition parties severely criticized the Georgian leader and the position he took in the talks on settling the conflict in Abkhazia. At an evening parliamentary session United Republican Party Cochairman Nodar Natadze demanded the disavowal of all agreements that had been signed. Irakliy Tsereteli, leader of the National Independence Party, who is well known for his scandalous character, made a protest because Shevardnadze had allowed himself to exchange handshakes with Ardzinba prior to the start of the talks in Novyy Afon.

Despite the attacks from the "implacables," most Georgian parliamentarians welcomed the step taken by the head of state and came out in favor of continuing the talks process.

Incidentally, this day in the supreme legislative organ of power again did not pass by without a "rumpus." Former republic Defense Minister Tengiz Kitovani, who had not been given the chance to speak, walked out of the hall in protest, breaking his voting control panel on the way. In passing he hurled an unprintable expression unsuitable for literal translation into the face of Vice Speaker Vakhtang Rcheulishvili. Rcheulishvili did not pick up the "gauntlet."

Abkhaz Militants Lay Land Mines in Cleared Areas

LD2209184694 Tbilisi SAKINFORM in Russian 1551 GMT 22 Sep 94

[Text] According to reports received from Zugdidi, Abkhaz paramilitary are laying land mines in areas previously cleared of mines by sappers of the Russian peacekeeping forces. Because of this, 11 local inhabitants have been blown up by mines during the last 10 days; three of those died on the spot.

Grachev To Command Peacekeeping Forces

LD2109173094 Tbilisi Radio Tbilisi Network in Georgian 1510 GMT 21 Sep 94

[Transcribed from Russian]

[Text] It has become known through official sources that Russian Defense Minister Pavel Grachev is to command the peacekeeping forces in the Georgian-Abkhaz conflict zone.

Shumeyko Arranges 23-24 Sep Aid for Russian Troops

LD2209190894 Moscow ITAR-TASS in English 1731 GMT 22 Sep 94

[By ITAR-TASS correspondent Vadim Byrkin]

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[Text] Moscow September 22 TASS—About 30 tons of foodstuffs will be forwarded to the Russian troops, quartered in Georgia and Abkhazia, on September 23-24, the Federation Council press center told TASS on Thursday. The humanitarian aid will be delivered on the initiative of Vladimir Shumeyko, who is chairman of the Russian parliament's upper house.

A military transport plane of the Russian Defense Ministry will deliver the cargo to the cities of Vaziani and Gudauta, which host the Russian Army Headquarters. The aid has been gathered with the help of the Rostov and Krasnodar regional authorities.

During a recent visit to the Amur region in the Russian Far East, Shumeyko said that apart from the risk of being killed or injured, Russian soldiers in "hot spots" face a lot of everyday troubles which are largely caused by the army's underfinancing.

The initiative is aimed at drawing the public attention to vital needs of the Russian soldiers who are doing their military duty in the hot spots of tension, the speaker said.

Russian Soldier Shot by Militia, One Held

LD2209205494 Moscow NTV in Russian 1500 GMT 22 Sep 94

[Text] The Georgian defense and internal affairs ministers are expected in Moscow today. The main topic of the conversation will be the situation in Abkhazia.

Meanwhile, in the rayon center of Gudauta, there has been an incident involving Russian border guards and local militia. According to INTERFAX, in a shoot-out between the militia and Russian soldiers, one soldier was killed, while three were captured—but two managed to escape. Local authorities maintain that the incident was not of a political nature. The militiamen say that they used weapons because four Russian servicemen tried to break into a shop.

Shevardnadze Issues Winter Energy Program

AU2209132894 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 26 Aug 94 p 1, 2

["Edict of the Georgian Head of State on a Program of Comprehensive Measures To Prepare for the 1994-95 Winter Season"]

[Text] Along with the implementation of measures aimed at macroeconomic stability and systematic changes at the present stage of the implementation of the anticrisis program, the accomplishment of tasks to ensure basic living conditions for the population and maintain and strengthen the potential of basic branches in the economy is acquiring the greatest importance, which has particular significance for the 1994-95 winter season.

A serious situation has taken shape in the fuel and energy complex. The energy crisis that has arisen in the last few years has become increasingly worse as a result of the restricted deliveries of natural gas, the failure to complete necessary repair work at power plants due to a lack of funds, the forced restriction imposed upon the development and output of the Enguri hydroelectric power plant, the water shortage, the very low creditworthiness of branches in the economy, and so forth.

The Republic of Georgia Cabinet of Ministers adopted decrees on 17 March and 12 July on providing the population and economic complex with fuel and energy resources during the winter period, which is proceeding unsatisfactorily.

In order to create the necessary resources for the functioning of the republic's vitally important installations, the economic complex, and the domestic services sector and also supplying the population with rationed consumer goods and products, urgent measures are to be implemented:

I. In the Fuel and Energy Complex

1. As of 1 September 1994, on the whole territory of the Republic of Georgia, the republic's economy and domestic services sector are to transfer to an emergency regime of work that extends to:

—The accounting, allocation, and consumption and servicing of natural gas;

—The production, consumption, and accounting and allocation of electricity;

—The production, purchase and delivery, accounting, distribution, and consumption and servicing of petroleum products and coal;

—The storing, receiving, purification, allocation, accounting, and consumption and servicing of drinking water;

—The provision of electricity and sources of power to bread product facilities;

—The supply of electricity to railways, the railway traffic schedule, and servicing of the railways;

—The supply of electricity to the ports of Poti and Batumi;

—The duration of the transmission of television programs;

—The supply of electricity to the subway and its operation schedule and servicing;

—The supply of electricity and sources of power to the communications network and its operation schedule and servicing;

—The functioning of the industrial, agricultural, transport, and construction complexes and non-industrial

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branches and facilities that should be supplied with electricity and sources of power;

—The adoption of decisions by the law enforcement agencies in order to implement this edict;

—The state protection of power stations, power substations, railway communications and railway locomotive sub-stations, gas pipelines, gas compressor and regulating stations and points, oil pipelines, the petroleum-extracting system, petroleum product depots, and means of transportation.

2. The "Sakenergo" [Georgian Power] Department I. Chedia is to ensure:

—The power system and power balance are functioning at a capacity of 700 megawatts and producing 17 million kwh of electricity every 24 hours;

—The capital repair of basic machinery at power stations in accordance with Appendix No. 1;

—The implementation of decisive technical and organizational measures in order to reduce to a maximum electric power losses;

—Along with the heads of the republic's town and rayon local bodies of administration, the limiting of power supplies at various levels to towns and rayons and industrial enterprises and organizations and strict control over their enforcement;

—All non-paying consumers and those who have incurred debts are to be cut off from the grid;

—The appointment of senior employees in the power system to each specific district, facility, and substation;

—Control over the permanent functioning of automatic equipment (automatic frequency unloading equipment) to counter accidents in the power system;

—Restoration of the 500 kw "Kavkasioni" electric power line by 1 October 1994;

—The Republic of Georgia Cabinet of Ministers conducts negotiations with the corresponding ministries and departments in the Russian Federation, Azerbaijan, and Turkey on the supply of 5 million kwh of electricity every 24 hours and at a capacity of up to 200 megawatts during the 1994-95 fall and winter period;

—Along with the "Sakgaz" Department D. Eliashvili, the "Saknaftoproduktebi" [Georgian Petroleum Products] [State] Concern D. Zubitashvili, the Railway Transport Department R. Vashakidze, the priority supply of electricity, gas, and petroleum products to vitally important facilities (drinking water, bread products, railway locomotives, health protection, communications, poultry farming);

3. The "Sakenergo," "Sakgaz," "Saknavtobi," [Georgian Petroleum] "Saknakhshiri" [Georgian Coal] departments and the "Saknavtoproduktebi" Concern are, first and foremost, to ensure mutual supplies of electricity, fuel, and petroleum products.

4. The question of supplying remaining facilities in towns and rayons with electricity and sources of power is to be decided by the heads of local bodies of administration within established limits.

5. The "Saknavtobi" Department R. Tevzadze is to ensure that 350-400 metric tons of oil are extracted daily and transferred to the Batumi oil refinery (the state of oil extraction and the prospects for developing the branch are to be examined separately).

6. The metallurgical factory in Rustavi and the oil refinery in Batumi are to ensure that fuel is supplied to bulk supply stations that are on their paylist and that their average work load during the fall and winter period is to be 40,000 and 12,000 kw respectively.

7. The Kutaisi automobile factory is to ensure that the restoration and reconstruction of its own district heating station is completed by 1 October. It is to use coal as fuel.

8. The "Sakgaz" Department D. Eliashvili:

—During changes to the supply of natural gas, is to distribute it in accordance with Appendix No. 2;

—Is to ensure the implementation of measures to prepare for the 1994-95 fall and winter period in accordance with Appendix No. 3;

—Is to cut off from the grid all non-paying consumers and those who have incurred debts;

9. The "Saknavtoproduktebi" State Concern D. Zubitashvili is to provide vitally important installations that are supplied with sources of self-contained and emergency power with fuel and lubricant materials taking into account specific norms of expenditure and in accordance with previously agreed settlements.

10. The "Saknakhshiri" Department A. Bochorishvili is to ensure:

—The extraction of no less than 500 metric tons of coal daily by the end of 1994 and its delivery, first of all, to the republic's consumers;

—The extraction of no less than 1,000 metric tons of coal daily from the start of 1995, in the event of the allocation of capital for the acquisition of machines, apparatus, and equipment from credits granted by the Russian Federation.

11. The Rustavi metallurgical plant G. Kashakashvili is to resolve the question of producing high-ash coke and receiving fine fraction coal (0-13 mm) from the "Saknakhshiri" Department.

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12. The Batumi oil refinery is to elaborate a proposal on restoring the production of transformer oil and submit it to the Republic of Georgia Cabinet of Ministers.

13. The Republic of Georgia Cabinet of Ministers and the "Sakenergo" Department are to carry out preparatory work via the mass media in order to determine the regime for supplying the population with electricity by September of this year.

14. The Republic of Georgia Cabinet of Ministers is to appoint representatives in every region who are to have emergency powers in order to ensure the enforcement of limits on [the use of] power capacities and electricity and the supply of fuel and energy resources to rayons and their economical consumption.

15. In order to reequip the "Sakenergo" Department and, with this aim, create favorable conditions for attracting foreign investments, the Republic of Georgia Cabinet of Ministers is to speed up the examination of materials prepared by the department and the process of transforming it into a joint-stock company.

16. In order to protect the personnel of power stations, sub- stations belonging to "Sakenergo" and all other departments, railway electric locomotives, gas distribution and regulation points and gas pipelines, petroleum facilities and oil pipelines, and petroleum product depots, ensure the necessary implementation of restricted schedules, and also halt attempts at forced entry, theft and misappropriation and sabotage, and extortion and speculation in these matters, the Republic of Georgia Ministry of Internal Affairs Sh. Kviraia, the Republic of Georgia State Security Service I. Giorgadze, the Georgian Railway Transport Department R. Vashakidze, the transport police D. Gulua, the "Sakenergo" Department I. Chedia, the "Sakgaz" Department D. Eliashvili, the "Saknavtobi" Department R. Tevsadze, the "Navtobproduktebi" Concern D. Zubitashvili, and the heads of town and rayon local bodies of administration and law enforcement agencies are to be directly responsible for the state protection of the aforementioned facilities as of 1 September. The severest measures will be taken against offenders.

17. In conditions of the emergency regime, in order to administer power supplies to the republic's economy, a republican emergency headquarters is to be created and will be made up of the following:

Otar Patsatsia—headquarters chairman, Republic of Georgia prime minister;

Revaz Arveladze—headquarters deputy chairman, the head of state's direct representative in the sphere of the fuel and power complex, chief state adviser;

Zurab Kervalishvili—headquarters deputy chairman, Republic of Georgia deputy prime minister;

Mikheil Gverdtsiteli—chairman of the Georgian Parliament Commission for Industry, Power Engineering, and Communications and Transport;

Davit Eliashvili—chairman of the "Sakgaz" Department;

Valerian Vadachkoria—adviser to the chairman of the "Sakenergo" Department;

Remi Vashakidze—chairman of the Railway Transport Department;

Murtaz Zankaliani—Republic of Georgia minister of trade and supplies;

Davit Zubitashvili—chairman of the "Navtoproduktebi" State Concern;

Revaz Tevzadze—chairman of the "Saknavtobi" Department;

Pridion Injia—Republic of Georgia minister of communications;

Konstantine Kakanadze—Tbilisi deputy mayor;

Mamuka Mindeli—Republic of Georgia Cabinet of Ministers chief state adviser on questions of heavy industry and power engineering;

Iuri Chedia—chairman of the "Sakenergo" Department;

Leonide Kikodze—chief state adviser in the apparatus of the Georgian head of state;

Dimitri Kartvelishvili—Republic of Georgia Cabinet of Ministers chief state adviser on industrial questions;

Jemal Mikeladze—Republic of Georgia first deputy minister of internal affairs.

18. The Republican Emergency Headquarters is to ensure the implementation of the emergency regime. Once a week or when necessary, it is to hold republican selective meetings, analyze the implementation of measures stipulated in the emergency regime, and resolve questions pertaining to the personal responsibility of offenders.

19. A special working group is to be created that will be attached to the Republican Emergency Headquarters. It is to be made up of the following:

Zurab Kervalishvili—head of the group, Republic of Georgia deputy prime minister;

Oleg Bichiashvili—deputy chairman of the Railway Transport Department;

Grigol Gogava—head of the Republic of Georgia Cabinet of Ministers Business Administration State Reserves Department;

Zurab Gurgenidze—Telavi [administrative] head, deputy chairman of the "Sakenergo" Department;

Tamaz Gagua—first deputy chairman of the "Sakgaz" Department;

Vakhtang Kiknadze—deputy chairman of the "Saknavtoproduktebi" State Concern;

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Merab Mghrebrishvili—Tbilisi deputy mayor;

Vazha Metreveli—first deputy chairman of the "Sakenergo" Department;

Demur Mikadze—head of the Tbilisi police administration;

Mamuka Mindeli—Republic of Georgia Cabinet of Ministers chief state adviser on questions concerning heavy industry and power engineering;

Iuri Meishvili—Republic of Georgia deputy minister of industry;

Leonide Kikodze—chief state adviser in the apparatus of the Georgian head of state;

Valerian Ghvinjilia—Republic of Georgia Cabinet of Ministers leading state adviser on questions concerning heavy industry and power engineering;

Teimuraz Qipiani—Republic of Georgia Cabinet of Ministers chief state adviser on questions concerning analysis, forecasting and operational response;

Ilia Kherodinashvili—Republic of Georgia Cabinet of Ministers state adviser on questions concerning heavy industry and power engineering.

20. The working group is to analyze daily and efficiently the progress of the measures stipulated in the emergency regime, expose facts of violation, adopt measures on the implementation of the emergency measures, and systematically supply information to the Republican Emergency Headquarters.

It is to create a corresponding service to inform the general public via the press and television.

21. Headquarters are to be created in all the republic's ministries and departments under the chairmanship of their heads or deputy heads and headquarters for the implementation of the emergency regime are to be created in rayons and towns under the chairmanship of the heads of the local bodies of administration and with the participation of representatives of the "Sakenergo" and "Sakgaz" departments, the "Navtoproduktebi" Concern, and local law enforcement agencies.

In addition to the duties listed in this edict, these headquarters are to elaborate and implement the extraction and supply of fuel using their own means and the production and economical consumption of electric power and thermal energy.

22. The Republican Emergency Headquarters is systematically to supply the population with information on the progress of the implementation of measures relating to the emergency regime via the press and television.

23. The Republic of Georgia Ministry of Justice T. Ninidze together with corresponding departments is to prepare by 15 September 1994 and submit to the Cabinet of Ministers for examination and subsequently to Parliament for approval a legal base for the functioning of the fuel and power engineering complex with the aim of imposing stricter sanctions and responsibility.

II. In the Branches and Regions

1. **Republic of Georgia ministries and departments,**

the councils of ministers in the Abkhazian and Ajarian autonomous republics, town and rayon local bodies of administration, and state and private structures are to ensure:

—The indisputable implementation of the Republic of Georgia Cabinet of Ministers Decree No. 452 of 12 July 1994 "On the Progress of Decree No. 162 of 17 March 1994 on Providing the Population and the Economic Complex With Fuel and Power Resources During the 1994- 95 Fall and Winter Period";

—The supply of electricity and gas to vitally important facilities within the set limits;

—The supply of sources of self-contained power and appropriate fuel to vitally important and important facilities and the implementation of isolated measures within time periods agreed upon with the Cabinet of Ministers and also the normal functioning of these facilities in the event of power cuts as a result of accidents;

—Particular attention is paid to the unimpeded functioning of means of communications, banking systems, and internal affairs, security, and defense facilities in conditions of cuts in power supplies from the power system;

—The constant enforcement of limits established on [the use of] electricity and power sources and, in the event of these limits being exceeded, the immediate cutting off of consumers from the grid;

—The halting of electricity and gas supplies to other consumers from vitally important and industrial facilities;

—Senior workers are on duty day and night in order to enforce the emergency regime of work and the limits established on [the use of] fuel and power resources;

—The regime of work established in Points 17 and 18 of the Republic of Georgia Cabinet of Ministers Decree No. 452 of 12 July 1994.

2. The heads of local bodies of administration are to be made personally responsible:

—For strictly enforcing the limits established on the consumption of power sources by rayons, towns, enterprises, and other facilities;

—That automatic equipment used to prevent accidents is in permanent working order (along with the heads of power engineering facilities);

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—For preventing attacks, robberies, and acts of sabotage carried out against personnel guarding power engineering facilities.

3. The Republic of Georgia Ministry of Communications P. Injia is to ensure that important republican and rayon communications facilities have self-contained power supplies and that they continue to function during lengthy power cuts and, along with the "Sakenergo" Department I. Chedia and the National Bank N. Javakhishvili, is to pay particular attention to ensuring the unimpeded functioning of banks' electronic post.

4. Organizations attached to the Republic of Georgia Ministry of Communications are to be allowed to acquire with ready cash (coupons) cable products, materials, and fuel necessary to ensure the functioning of the intercity-telephone-telegraph network.

5. The Republic of Georgia Ministry of Agriculture and Food Industry Z. Gegechkori is to organize viewing of the republic's stock-breeding facilities by 15 October of this year in connection with preparations being made for winter; taking account of faults and shortcomings brought to light, it is to adopt the appropriate operative measures to make the necessary preparations for winter. At the same time, along with the republic's rayon gamgeobebi [administrative boards], it is to mobilize within the shortest period of time all resources in order to ensure the preparation of the necessary amount of foodstuffs and their delivery to farms.

III. In the Social Sphere

1. The Republic of Georgia Cabinet of Ministers Foodstuffs Commission A. Margiani, the Republic of Georgia Ministry of Trade and Supplies M. Zankaliani, the Bread Products and Poultry Industry State Corporation A. Burjanadze, the Ministry of Agriculture and Food Industry Z. Gegechkori, the "Tsekavshiri" [agriculture consumer cooperatives] N. Zhghenti, the "Saknavtoproduktebi" Concern D. Zubitashvili along with other interested ministries, departments, and local bodies of administration are to implement the necessary measures to create essential goods and commodity resources that are to be distributed to the republic's population on a rationed basis in accordance with Appendix No. 4.

2. The Republic of Georgia Bread Products and Poultry Industry State Corporation A. Burjanadze, the Ministry of Trade and Supplies M. Zankaliani, the Ministry of Agriculture and Food Industry Z. Gegechkori, the "Saknakhshiri" Department A. Bochorishvili, the "Saknavtoproduktebi" State Concern D. Zubitashvili, the Motor Transport Department G. Gogichashvili, the "Tsekavshiri" N. Zhghenti along with the Ministry of Economy L. Papava and the National Bank N. Javakhishvili, in accordance with the decision of the Cabinet of Ministers, are to ensure, in line with current expenditure, the delivery of bread products, fuel, and other essential consumer goods (8,750 metric tons of flour, 480 metric tons of groats, 2,450 metric tons of salt, 13,890,000 packets of tobacco goods, 4,580 metric tons of coal, 200 metric tons of family soap, 2,595 standard boxes of matches, and 3,160 metric tons of kerosene) to mountainous regions as supplies for the 1994-95 winter.

3. The Republic of Georgia Cabinet of Ministers I. Menagharishvili, the Bread Products and Poultry Industry State Corporation A. Burjanadze, the Railway Transport Department R. Vazhakidze, and the ports of Batumi and Poti B. Varzhanidze, V. Gegidze are to ensure the import of wheat and flour in accordance with Appendix No. 6.

4. The Republic of Georgia deputy prime ministers T. Basilia, Z. Kervalishvili, and I. Menagharishvili, the Republic of Georgia Ministry of Finances D. Iakobidze, the Ministry of the Economy L. Papava, the Committee for Foreign Economic Relations I. Bachiashvili, the Ministry of Trade and Supplies M. Zankaliani, the "Saknavtoproduktebi" State Concern D. Zubitashvili, the "Sakgaz" Department D. Eliashvili, the Railway Transport Department R. Vashakidze, and the Georgian Shipping Company B. Varshanidze are to ensure that, by 1 December 1994, 50,000 metric tons of kerosene, 800,000 metric tons of fuel oil, 15,000 metric tons of furnace fuel or its replacement, and 50,000 metric tons of liquefied gas (until 1 April 1995) are imported into the republic in the form of humanitarian aid, using state and foreign credits, and via commercial structures.

5. The Republic of Georgia Cabinet of Ministers is to discuss the question of allocating sums to finance measures necessary for the capital construction and repair of republican facilities subordinate to the Republic of Georgia Ministry of Health Protection in order to ensure that the minimum number of essential medical facilities are functioning during the fall and winter period.

6. The Forestry Industry Department D. Gigauri is to submit to the republic's Cabinet of Ministers by the end of August 1994 a program for laying in wood that has been cut from diseased and old trees [sanitaruli chris] and, along with the Ministry of Trade and Supplies and the Tsekavshiri, ensure the procurement and sale of wood according to the corresponding declared demands of regions.

The apparatus of the Georgian head of state V. Lortkipanidze, R. Arveladze, and P. Bakradze are to be entrusted with controlling the implementation of this edict.

It is to report weekly to the head of state on the progress of the implementation of the edict.

[Signed] E. Shevardnadze.
[Date] 24 August 1994.

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Estonia

Prime Minister Has No Intention of Resigning

LD2209184894 Moscow INTERFAX in English 1641 GMT 22 Sep 94

[Text] Estonian Prime Minister Mart Laar said today he did not intend to resign at this time. Laar said in an interview with Interfax that in his decision he proceeded from the single position worked out during the two-day meeting of members of the leading coalition parties in the Estonian parliament which ended today.

The meeting was held to discuss the situation in which several parliamentarians had demanded a no-confidence vote being held in the government.

Laar said that the voting on the draft second supplementary budget for 1994 would be an indicator of confidence by the parliament in the government. Earlier, Laar said that if the draft proposed by the government was seriously amended he would resign. In accordance with the Constitution, this would automatically lead to the resignation of the entire cabinet.

The consideration of the draft budget, to which 56 amendments have already been made, will continue next week. The coalition in power now has 26 of the 101 votes in the parliament while the official opposition has 27 votes. Thus, the future of the government will depend on the position of parliamentarians who are not members of the coalition or the opposition.

Commission Signs Resolution on Russian Relations

LD2209111094 Tallinn Radio Tallinn Network in Estonian 1600 GMT 21 Sep 94

[Text] The commission monitoring adherence to the [1991] treaty on the fundamentals of interstate relations between the Russian Federation and the Republic of Estonia held a plenary session in Tallinn today. Commission Chairman Enn Leisson and Deputy Chairman Nikolay Medvedev signed a resolution which states that the withdrawal of the Russian Federation's troops from Estonia opens new opportunities for bilateral relations and creates favorable conditions for adherence to the present treaty.

The commission adopted the position that at present the concluding of economic and humanitarian agreements will in particular come to the fore as the treaty is extended. These include agreements on trade and economic relations, investment protection, agreements on both life in border areas and mutual visits by residents and other specific issues.

The commission emphasized that ratification of the documents, signed by [Russian and Estonian] Presidents Boris Yeltsin and Lennart Meri in July 1994 by the parliaments of both states will not run counter to the interests of either side.

Deputies Form Group To Support Chechnya's Dudayev

LD2309104794 Tallinn Radio Tallinn Network in Estonian 0900 GMT 23 Sep 94

[Text] [A group of] 19 members of the Riigikogu formed a support group for Chechnya. The chairman of the group is Arvo Valton, and the deputy chairmen are Merle Krigul and Enn Tarto. The Chechnya support group expresses support to Chechnya's President Dzhokhar Dudayev and Chechnya's parliament, and invites the parliaments of democratic states to give their moral support to Chechnya's people in their struggle against imperialist endeavors.

Provocations against Chechnya continue, with the opposition being supported and armed from the outside and selected methods used in order to oust the lawful government and tie the free Chechen people to the chains of an empire again. This is what the members of the Chechnya support group have told the BALTIC NEWS SERVICE.

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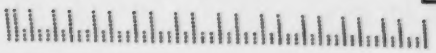

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